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U.S. PRESS CONFERENCE ON USSR SPACE PROPOSAL

LD252149 Prague CTK in English 1952 GMT 25 Jul 84

[Text] Washington July 25 (CTK) -- A press conference was held here yesterday to discuss the Soviet proposal to hold Soviet-U.S. talks on averting militarization of space. U.S. State Department spokesman Charles Hughes told journalists that the United States decided to respond to this proposal through diplomatic channels.

He refused to characterize the U.S. response and avoided to answer the question whether the White House is willing to accept the Soviet moratorium on tests and deployment of space weapons. Asked to characterize generally the U.S. attitude he said that the United States reserves the possibility of submitting various questions at the Vienna talks.

The U.S. press agrees that the White House continues verbal maneouvering linked with the Soviet proposals on prevention of militarization of space and tries to show it takes a flexible attitude.

POLISH DELEGATE ADDRESSES GENEVA CONFERENCE

LD251323 Warsaw PAP in English 1126 GMT 25 Jul 84

[By PAP correspondent Edward Dylawerski]

[Text] Geneva July 24 [date as received] -- Head of the Polish delegation Ambassador Stanislaw Turbanski today postulated to work out the principles of the plan for destroying the chemical weapons stockpiles, to be included in a future convention. Addressing the disarmament conference here Ambassador Stanislaw Turbanski referred to this part of the draft convention presented by the U.S. delegation which concerned the verification of the provisions of a prospective convention.

In connection with the U.S. draft which postulates a far-reaching verification bordering on interference into the internal affaires of the states, parties to the future convention, Poland's representative stated that no system of verification can secure the complete certainty about the adherence to the convention. At this point he underlined the importance of the confidence-building measures between the partners.

On the occasion of the 40th anniversary of People's Poland, the speaker described the main principles of Polish foreign policy and mentioned Poland's contribution to strengthening peace, international security and disarmament.

CSSR ENVOY PRESENTS PAPER ON WEU DECISION TO FRG

LD251635 Prague Domestic Service in Czech and Slovak 1500 GMT 25 Jul 84

[Text] Ivan Krammar, CSSR charge d'affaires in the FRG, handed the Ministry of Foreign Affairs in Bonn today a Czechoslovak Foreign Ministry statement on the decision of the West European Union [WEU] Council to rescind the ban on the production of strategic bombers and long-range missiles in the Federal Republic. The statement voices the CSSR's concern and stresses that the decision runs counter to treaty obligations according to which the FRG must not have at its disposal offensive weapons capable of threatening not only neighboring but also other countries.

MALILE, OTHERS ATTEND EGYPTIAN RECEPTION

AU241306 Tirana ATA in English 0900 GMT 24 Jul 84

[Text] Tirana, July 24 (ATA) -- On the occasion of the national day of Egypt, the ambassador extraordinary and plenipotentiary of the Arab Republic of Egypt to the People's Socialist Republic of Albania, 'Abd Ahmad al-Maraghi gave a reception at the seat of the embassy yesterday evening.

Attending the reception were also the Minister of Foreign Affairs Reis Malile, the Minister of Foreign Trade Shane Korbeci, the Chairman of the Albanian Committee for Cultural and Friendly Relations with Foreign Countries Jorgo Melica and other guests.

Present were also officials and functionaries of the diplomatic representations accredited to the People's Socialist Republic of Albania.

IMPORTANCE OF TELEVISION IN SOCIETY REVIEWED

AU241310 Tirana ATA in English 0900 GMT 24 Jul 84

[Text] Tirana, July 24 (BTA) -- Television in Albania is a powerful means of education, information and communication of the party with the masses, which reflects truthfully the socialist reality, the life of the people, the great problems of the present and the perspective.

Now, our television has created its socialist and national physiognomy. It is thanks to the party and Comrade Enver Hoxha that the Albanian television holds the first place in Europe for the high percentage of the national production in the transmitting hours.

The programs of the Albanian television responds to the demands and tastes of the broad working masses. They are ever more liked by the masses because they serve them in all aspects. Our TV programs include also foreign feature, documentary and scientific and cultural films which help in acquainting the Albanian spectators with the traditions, history and everything progressive of the other peoples.

"...All see in the TV screen, Comrade Enver Hoxha has said, our dear Albania with a rare natural beauty, which is becoming a miracle by the hand and mind of our people. This reality inspires us and makes us optimistic, make our compatriots wherever they are feel proud, gladden the numerous friends and well-wishers of Socialist Albania."

BRIEFS

CUBAN ENVOY ARRIVES -- Carlos Alonso Moreno, ambassador extraordinary and plenipotentiary of the Republic of Cuba to the People's Socialist Republic of Albania, arrived in our country today. [Excerpt] [Tirana Domestic Service in Albanian 1800 GMT 2 Jul 84 AU]

AMBASSADOR TO ARGENTINA -- Piro Andoni, ambassador extraordinary and plenipotentiary of the People's Socialist Republic of Albania to the Republic of Argentina, has presented his credentials to President Raul Alfonsin. [Excerpt] [Tirana Domestic Service in Albanian 1800 GMT 20 Jul 84 AU]

LEADERS ATTEND CELEBRATIONS, PLENUMS 15-21 JULY

AU212001 [Editorial Report] Sofia Domestic Service in Bulgarian, in its broadcasts from 15 to 21 July, notes the following appearances of Bulgarian leaders (time and date of broadcasts noted in parentheses):

Georgi Yordanov, candidate member of the BCP Central Committee Politburo, deputy chairman of the Council of Ministers and chairman of the Committee for Culture, attended a youth festival in Sofia (1730 GMT 15 July). Yordanov is also reported to have attended the 90th birthday celebration of a painter in the town of Samokov (1730 GMT 16 July), to have attended a joint plenum of the Fatherland Front and the Committee for Culture in Sofia (1500 GMT 19 July), and to have attended an okrug cultural committee plenum in Shumen (1930 19 July).

Pencho Kubadinski, member of the BCP Central Committee Politburo and chairman of the Fatherland Front National Council, attended a city BCP committee plenum in Silistra (1730 GMT 17 July). Kubadinski is also reported to have continued his visit to Silistra where he again attended the city BCP committee plenum (0800 GMT 18 July); he also attended a joint session of the Fatherland Front and the Committee for Culture in Sofia (1500 GMT 19 July).

Dimitur Stanishev, secretary of the BCP Central Committee, attended a celebration in Sofia on the 80th birthday of Vera Nacheva (1730 GMT 18 July).

Milko Balev, Politburo member and secretary of the BCP Central Committee, attended a celebration in Sofia marking the Polish liberation anniversary (1500 GMT 19 July).

NATIONAL ASSEMBLY SOCIOECONOMIC COMMITTEE MEETS

AU231829 Sofia Domestic Service in Bulgarian 1730 GMT 23 Jul 84

[Text] A session of the Standing Committee on Socioeconomic Development was held at the National Assembly. The preparations for the draft project on the Uniform Plan for the Country's Socioeconomic Development and on the state budget for 1985 were discussed. Belcho Belchev, minister of finance, and Georgi Georgiev, deputy chairman of the State Planning Committee, reported on the preparatory work. Kiril Zarev, chairman of the Standing Committee on Socioeconomic Development of the National Assembly, chaired the session.

ALEKSANDROV DELEGATION RETURNS FROM WARSAW

AU251109 Sofia RABOTNICHESKO DELO in Bulgarian 24 Jul 84 p 5

[Text] The party and government delegation of the People's Republic of Bulgaria, headed by Chudomir Aleksandrov, BCP Central Committee Politburo member and first deputy chairman of the Council of Ministers, which participated in the celebrations on the occasion of the 40th anniversary of People's Poland, returned from Warsaw last night. The delegation was welcomed at Sofia airport by Yordan Yotov, BCP Central Committee Politburo member. Meczyslaw Karpysiuk, counselor at the Polish Embassy in Sofia, was also among those present at Sofia airport to greet the Bulgarian delegation.

JAKES ON IMPORTANCE OF TECHNOLOGICAL PROGRESS

AU241817 Prague RUDE PRAVO in Czech 21 Jul 84 p 3

[Article by Milos Jakes, Presidium member and secretary of the CPCZ Central Committee: "Introducing the Results of Science and Technology More Rapidly Into Practice"]

[Text] In connection with the elaboration of the general line of building a developed socialist society for the eighties, the 16th CPCZ Congress put first-rate emphasis on the intensification of economic development, on raising the effectivenss of production, and on the quality of all work. At the same time, it underscored the role of scientific-technological progress and its implementation as the fundamental factor for ensuring our current and future economic tasks. Comrade G. Husak, general secretary of the CPCZ Central Committee, said at the 16th congress: "Scientific and technological progress are the determining factors of intensification and the mightiest resources of the growth of productivity of social work. The implementation of scientific-technological progress is a truly revolutionary task of our entire society. Only on the basis of the application of science and technology it is possible to develop the most progressive sectors, electronics and microelectronics, comprehensive mechanization and automation, to eliminate hard physical work, expand progressive technologies, and perfect management and the organization of work. The resolution of these tasks -- as we are profoundly convinced -- will become for our researchers, designers, and the entire scientific and technical intelligentsia a point of their civic honor and pride."

In accord with the congress resolutions, our party and its Central Committee are devoting systematic attention to the issues of scientific-technological progress. The issues of a speedy application of the results of science and technology in practice were comprehensively assessed at the eighth session of the CPCZ Central Committee in the middle of last year, and as regards the engineering-metallurgical complex they were worked out at the 10th session of the CPCZ Central Committee this year.

The problems of scientific-technological progress also had an important place at the CEMA economic summit, at which issues of scientific-technological cooperation and economic integration were stressed as being the key factors of intensification and of raising the effectiveness of the further economic development of the countries of the socialist community.

Therefore one of the fundamental tasks of all state, economic, party, and social agencies and organizations is to consistently fulfill the conclusions of the 16th CPCZ Congress determined for the sphere of scientific-technological progress and the all-round utilization of the results of science and technology to strengthen the dynamism of economic development, its intensification and effectiveness.

One year has elapsed since the eighth session of the CPCZ Central Committee which devoted itself to a speedy implementation of science and technology in practice. We can note that the gradual realization of its conclusions has begun in a number of enterprises to favorably influence the fulfillment of tasks, and thus also the development of the national economy.

The results of the endeavor of ranking personnel, the party and social organizations, and the initiative of the working people is a certain progress in the intensification and in raising the effectiveness of production. Maintaining and further improving the standard of living is being achieved, and our indebtedness to the capitalist countries is being reduced. The economic and scientific-technological cooperation with the CEMA countries, above all with the USSR, has further expanded. The results and the developments in the economy achieved last year and at the beginning of 1984 have made it possible for the 10th session of the CPCZ Central Committee in April to set more demanding tasks for this year's plan, and through target tasks to achieve a 1 percent higher growth of work productivity (to the adjusted value added), and to reduce costs by 0.5 percent compared with the plan. The session recommended a further tightening of the savings of fuels by 1 million metric tons of standard fuel, increasing the share of products of high quality and high technical standard, and achieving greater effectiveness in foreign trade.

The preliminary results of the first half of 1984 attest to the fact that the tasks of the plan are being exceeded, and this creates conditions for a successful fulfillment of the increased tasks of the plan as well as of target-oriented programs. The broad development of the initiative of the working people, which is the response to the Proclamation of the CPCZ Central Committee, the government, and the Central Committee of the National Front of the CSSR on the 40th anniversary of the liberation, greatly contributes to this.

Despite the results achieved and the aforementioned trends, a number of problems, elements of extensive development, endure in our economy. It is, above all, the growth of effectiveness which continues to lay behind the potential and the needs of the national economy. The intensiveness in fuel, energy, and raw materials is dropping only slowly; such a drop is a matter that constitutes a significant source of the growth of effectiveness and reducing costs. A comparison with developed industrial countries shows that we must achieve in production an absolute reduction of this consumption. Also the innovation of products and the improvement of their quality still does not proceed at desirable pace, a matter that unfavorably shows in the effectiveness of foreign trade and in satisfying the needs of the domestic market.

Also the necessary structural changes in the national economy and the introduction of new technologies are being carried out only slowly. Their importance is attested to, for example, by the fact that in a number of engineering spheres 1 metric tons of plastic materials can substitute for 4-5 tons of metals; at the same time, from the viewpoint of energy-intensiveness, the production of 1 cubic meter of plastic materials uses 10 megawatts, while the production of the same quantity of metal uses 67 megawatts. One ton of plastic materials also reduces labor input by more than 60 percent and production costs by 40 percent. Despite that, the substitution of plastic materials for metals proceeds only slowly in our engineering sphere. Equally, we are still making an insufficient use of secondary raw materials, despite their indisputable advantages. And one could enumerate other, similar examples.

On the whole we can note that the fulfillment of our economic tasks and the overcoming of our problems could be more marked through more forcible implementation of the conclusions of the eighth session of the CPCZ Central Committee and through a more rapid application of the results of science and technology in practice.

The eighth session of the CPCZ Central Committee, in accordance with the need to increase the dynamism of the economic development and its intensification, expressed in 10 points the fundamental objectives of scientific-technological policy, raising the technical standard of the national economy, which involve:

1 -- ensuring a less energy-intensive type of economic development, the rationalization of the consumption of fuels and energy, the buildup of nuclear power engineering, and the optimal utilization of our fuel-energy resources;

2 -- high valorization [zhodnocovani] of all raw and other material resources, particularly metals, while gradually carrying out structural changes in metallurgy, ensuring a higher proportion of quality steels and the necessary profiles [profily] and reducing the production of pig iron and raw steel, a massive utilization of the raw materials base and secondary raw materials, including the application of wasteless technologies in production;

3 -- increasing self-sufficiency in the production of foodstuffs, above all on the basis of permanent care for the land resources and making them fertile, ensuring preferential development for plant production, raising the standard of valorization processes and reducing losses;

4 -- gradually creating a less material-intensive structure in Czechoslovak industry, particularly in engineering and electrical engineering while improving final assemblies;

5 -- high valorization of the production of basic chemistry, above all through the development of less raw material- and energy-intensive resources, especially of the pure and special chemistry and the pharmaceutical industry;

6 -- developing comprehensive mechanization and automation, and in accordance with that the development and the utilization of measuring and regulatory technology, microelectronics, microprocessor and microcomputer technology and their broad application in engineering systems in production practice as well as in nonproduction spheres;

7 -- developing and utilizing industrial robots and handling devices, and their broad application in the interest of saving work, especially the elimination of hard physical work, and of work in a health-hazardous environment;

8 -- developing and applying new promising directions of science and technology, particularly of biotechnologies and genetics, while constitute the foundation of new and effective resources for a long-term economic upswing;

9 -- further developing the care for people's health, and

10 -- protecting and improving environment.

At the same time it emphasized that it is necessary that scientific-technological progress becomes an axis of the plan, that the entire system of the planned management helps the development and the realization of science and technology, and that all instruments -- as a component of this system -- more effectively support the application of progressive findings in practice. In this connection the main tasks for central agencies and the entire management sphere were also set.

If we assess the work done since the eighth session of the CPCZ Central Committee in June 1983, we can note that the task of scientific-technological development has become more profoundly understood and its importance generally recognized.

To this has also contributed the fact that the conclusions of the eighth session of the CPCZ Central Committee were discussed at sessions of the regional, district, and borough CPCZ committees, at deliberations of enterprise committees and of primary organizations. In this way the entire party has been oriented toward a more rapid assertion of scientific-technological progress in the interest of successfully ensuring economic tasks. Similarly, these problems were discussed at the sessions of the Central Trade Union Council, of the Central Committee of the Socialist Youth Union, the Czechoslovak-Soviet Friendship League, and at many meetings of social organizations. The Czechoslovak Scientific-Technological Society paid great attention to these questions, be it in connection with the inventors and improvers movement or with other forms of the working people's initiative. A number of concrete resolutions were adopted, various conferences and seminars were held, and the attention and active approach of mass information media have increased. The scientific-technological progress and the effort for its application are also becoming a significant content of the development of working initiative in honor of the 40th anniversary of the culmination of the national liberation struggle of the Czechoslovak people and the liberation of our fatherland by the Soviet Army.

Immediately following the session of the CPCZ Central Committee, the state, the Czech, and the Slovak Commissions for Scientific-Technological and Investment Development were set up. These commissions are purposefully devoting themselves to creating prerequisites for the successful fulfillment of the conclusions of the eighth session. Their work must be fully unfolded and concentrated on the main tasks, particularly on a planned application of science and technology in practice. They have been given the necessary authority, which is connected with great responsibility.

In the spirit of the session's conclusions, the branch ministries have concentrated their attention on working out the technical policy of branches and sectors, and on resolving some problems in the scientific-technological base. The achieved results do not correspond to needs thus far. In the economic production units and enterprises, the activity has been oriented toward accelerating the innovation of products, improving quality, and on modernizing and reconstructing production. But even here the application of scientific-technological development has not yet shown to the necessary extent. Therefore, in harmony with the need to ensure the increased tasks of 1984 and the preparation of the plan for 1985 and the Eighth 5-Year Plan, it is necessary to put the main stress on utilizing and realizing everything that is at one's disposal in technology and science, and that has realistic conditions for a rapid application. This is a common business of managing agencies, commissions for scientific-technological and investment development, planning commissions, and, in particular, of ministries, general directorates, and all ranking personnel in the economic sphere, with the active support and participation of the party, the Revolutionary Trade Union Movement, Socialist Youth Union, and the Scientific-Technological Society.

Despite all the positive things that have been done and have to be appreciated, it cannot be said that more marked changes have occurred in practical activity in regard to the utilization of science and technology. And we must not reconcile ourselves to that. The slow application of the results of science and technology in production remains our big weakness. Also the concentration of the research-development base on crucial tasks proceeds only slowly. One hesitates to realize concrete measures aimed at raising the effectiveness of the work of the research and development base. Thus far, construction and design units are being strengthened and given the means for automation and for building rationalization workshops only in rare cases. Of late, a number of decrees have been changed, and the possibilities of material incentives for creative workers [pracovnici] resolving the tasks of science and technology and the implementation of results in practice have increased.

The scope for creative initiative has been, on the whole, opened up, but many personnel from production who had rightly criticized this scope as insufficient are not making full use of the possibilities thus far. This, for example, is attested to by the scant utilization of the possibilities to increase material incentives of creative workers, designers, and planners, that the new wage regulations provide. This shortcoming must be speedily overcome, and to achieve this we must make the full use of the planned second stage of raising the economic effectiveness of the wage systems, and apply rewards and personal wages to a greater degree.

The CPCZ Central Committee put great emphasis on the growth of quality. In this connection economic instruments to stimulate it were approved. The expression of the low exactingness of their utilization is, for example, the fact that the value of the resources expended last year on preferential pricing of technically advanced products exceeded Kcs4.2 billion, while the markdowns for obsolete products amounted to only Kcs71 million. It is obvious that these data do not express the reality of the technical standard of products, but rather the low exactingness and the liberal approach of the appropriate agencies of the state and economic management. The role of the state testing agencies will have to be obviously increased. That system will have to be completed faster, and the exacting conclusions of the state testing laboratories will have to be applied in the economic sphere.

A number of shortcomings persist also in the investment sphere, which is the basic instrument for great innovations and structural changes. The words of Comrade Husak are still topical; he stressed at the 16th congress that discipline, order, and efficiency must be achieved, above all, in the investment sphere. We put top emphasis on investments yielding scientific-technological progress.

Putting projects into operation on time is an important task because delays are causing not only economic losses going into billions, but also technical obsolescence of manufactured products as well as of technical equipment. We have not been successful in regard to effectively overcoming the longlasting abuse of constantly raising budget prices either. It even happens that on days on which the progress at an individual project is checked and correct measures adopted the tasks and deadlines are repeatedly not being adhered to by branch sectors, economic production units, and enterprises, without the corresponding conclusions being drawn. Therefore it is necessary to strengthen discipline in the investment sphere, improve the preparation of crucial projects, raise the standard and the exactingness of state expertise, improve the progress of work at individual projects, and also consistently ensure tasks connected with resolving ecological problems. The attention of party agencies and organizations, ministries, and economic personnel must be oriented toward that.

The all-round support and the utilization of the creative initiative of the working people, the development of the inventors and innovators movement, the rapid application of its results and best experience in practice have an indispensable place in the fulfillment of the conclusions of the eighth session. Of great importance is, in particular, the activity of the comprehensive efficiency brigades, whose number -- at variance with needs -- stagnates. Their importance is in that they enable unifying the work of technicians and leading workers, and at the same time overcoming interenterprise, intersectoral, and interministerial barriers, thus increasing the effectiveness of common work. The development of the initiative and the creativity of youth requires greater attention. The Zenit movement and the exhibition of the best results held in Prague last month showed the great interest of youth in scientific-technological progress and the extensive possibilities of which we must make a much better use, and for which we must create the necessary organizational and material conditions.

Also the trade union agencies, in connection with the development of initiative to the 40th anniversary of our country's liberation, are more closely connecting the initiative of the working people with the development of science and technology. A number of positive steps taken by the socialist society, and also some results which have been achieved, testify to the fact that in the coming period this society will play an important role in the development of creative technical work and in ensuring the objectives of intensification. Economic personnel must fully support this activity. In the interest of a rapid application of science and technology, systematic attention must be paid to setting up rationalization workshops and laboratories, as well as to their equipment and to ensuring them with the necessary number of qualified personnel. For that condidtions have been created from the side of the central agencies. Their activity must focus on a speedy application of inventions and improvement proposals, on manufacturing prototypes of new products, modernization of technologies with the use of robots, microelectronics, and single-purpose machinery of one's own production.

Together with the development of creative initiative one has to keep in mind that modern technology, in order to function well and effectively, needs accurate, quality, and responsible work. That requires improving qualifications, strengthening technological discipline, deepening work with technical-economic norms, and relying more on progressive norms in the entire process of management. At all times one has to compare achieved results with world standards and adopt the necessary measures for this. In this connection a correct functioning of information is of great importance, so that one would not be inventing what is known and resolved. In this respect one has to proceed faster with perfecting the central and sectoral information system. Also the activity of the Office for Standardization and Measurements must be improved.

The urgency of a rapid application of science and technology in practice in the interest of the intensification and raising the effectiveness of the national economy requires that party agencies and organizations devote permanent attention to the fulfillment of the tasks of the eighth session of the CPCZ Central Committee. This will not be possible without a struggle against inconsistency, indolence, use of alibies, bureaucratism, and with a formalistic approach to the control of the fulfillment of tasks. This requires that they specifically discuss and check how the set tasks are being fulfilled, how the process of innovation and of improving quality in production is going, how the research, design, and technological units are working, how the differentiation in remuneration is being implemented, and that they create a favorable and exacting atmosphere for the implementation of science and technology. In this connection a check on the fulfillment of the conclusions of the eighth session of the CPCZ Central Committee will be carried out in the second half of the year. The systematic care for these tasks is more important since we are currently resolving a number of issues connected with the future economic and social development of our country. Work is underway on the basic directions of the economic and social development up to 1995, on the preparation of the Eighth 5-Year Plan, whose axis must be scientific-technological development, and on the redefinition of the state's goal-oriented programs. Work is being concluded on further perfecting the system of the national economy's management, which should be available at the same time with the basic directions of the development and the directive for the upcoming 5-year plan, so that enterprises would know the economic conditions under which they will be fulfilling the tasks of the plan. Great attention is being paid to the preparation of long-term forecasts. All these works are striving for consistently projecting the conclusions of the eighth session of the CPCZ Central Committee. We are now combining these conclusions with the results of the recent economic summit of the CEMA member-states, which has put an exceptional stress on the development of science and technology, on deepening scientific-technological cooperation and integration, and which has yielded new stimuli.

To us, too, apply the words of Comrade K.U. Chernenko, general secretary of the CPSU Central Committee and chairman of the Presidium of the USSR Supreme Soviet, voiced on the occasion of the summit to the effect that the adopted documents are to enable making a better use of the socialist integration for the benefit of our nations, create prerequisites for a more effective solution of the tasks of the intensification of production, for further equalizing the standard of the CEMA member-countries' development, and that it is necessary to undertake active and purposeful measures for their realization. In harmony with the results of the consultation, we are ensuring a further expansion of cooperation with the socialist countries, particularly with the Soviet Union. A coordination of plans is being carried out, and a number of further issues is being resolved. Great attention is being paid to the possibilities of a common utilization of the great scientific-technical potential and the coordination of the economic and scientific-technical policy. Together with the Soviet Union we are preparing the establishment of a joint association for the manufacture of robots and are adopting a number of measures aimed at deepening cooperation and specialization.

In the struggle for the realization of the party policy -- whose goal is through the intensification of the national economy, through raising the effectiveness and the productivity of work, through deepening socialist economic integration and the development and the utilization of initiative to ensure the further growth of the national economy and to raise the standard of living of the people -- the state, economic, party, and social agencies and organization and ranking personnel on all levels must more emphatically and consistently ensure the assertion of scientific-technical progress. Everyone, and particularly the ranking personnel, should proceed from the fact that the reserves that are easier to mobilize are shrinking. Thus, the fulfillment of the ever more exacting tasks will be increasingly decided by an inexhaustible reserve -- and that is the rapid application of the results of constantly developing science and technology in production, products, the organization of work and in management, and the increasing qualifications, preparedness, initiative, and awareness of the working people. The efforts expended and the results achieved in that sphere have a fundamental importance for the fulfillment of the goals set by the 16th CPCZ Congress, as well as for progress in the historical struggle between socialism and capitalism, in the struggle for maintaining world peace.

SLOVAKIA FULFILLS 11 OF 14 ANTIPOLLUTION ACTS

AU251137 Bratislava PRAVDA in Slovak 23 Jul 84 p 2

[Anna Zimaniova Article: "Investments Must Be Enhanced by Consistency"]

[Summary] The Comprehensive Concept of Care for the Environment in the Slovak SR, which the Government of the Slovak SR adopted in 1982, contains a total of 75 measures. Of the 14 measures whose completion was scheduled for 1983, 11 were actually fulfilled. From the viewpoint of the fulfillment of the adopted measures, the 1983 results were thus more favorable than the results of the preceding year, due to the completion of a number of ecologically important projects.

"According to statistical data, water quality in waterways improved in all indicators. The amount of insoluble substances emptied into the rivers dropped 3 percent, the amount of dissolvable substances 0.5 percent, the biological consumption of oxygen 2 percent, and the outflow of crude oil products as much as 33 percent." This "success" was achieved, above all, due to changes in the production technology in the Ruzomberok Paper and Pulp Combine, and the opening of sewage treatments plants in Ruzomberok, Zilina, Smolenice, Dunajska Streda, Trebisov, Bardejov, and Strazske.

Aside from these positive results, however, there was an increase in "calamity water pollution" from 68 cases in 1980 to 131 cases last year. These cases bear witness to gross violations of technological discipline and neglect of basic duties in the production enterprises.

"In regard to the protection of the atmosphere, the situation did not change in any substantial way. Of the 4.6 million metric tons of air pollutants emitted last year, 3.7 million tons were intercepted by dust collectors. We can regard as a success the fact that since 1980 the total amount of emitted air pollutants declined in five of the seven closely monitored regions in Slovakia. In Bratislava, the decrease was 11 percent; in Kosice 38 percent; in Ziar nad Hronom 0.5 percent; in the central Spis area 15 percent; and in the Upper Nitra area 7.5 percent." The long-awaited installation of new dust collectors in the Jelsava magnesite plant on 1 July this year and the planned installation of similar equipment in the lower Orava region by the end of the year should improve the situation also in these two areas.

A positive breakthrough was achieved in the development of agricultural land resources. Although 3,207 hectares of agricultural land were reallocated for other purposes, 3,775 hectares were regained through recultivation so that there was a net increment of 568 hectares.

The goal to prevent a further deterioration of individual components of the environment and to maintain their quality at the current level was thus successfully ensured.

SVOBODA COMMENTS ON PERUGIA MEETING, UNITA

LD252132 Prague CTK in English 1816 GMT 25 Jul 84

[Text] Prague July 25 (CTK) -- Czechoslovak Deputy Foreign Minister Stanislav Svoboda returned to several circumstances of negotiations of the release of Czechoslovak citizens held in Angola by the UNITA [National Union for Total Independence of Angola] organization and revealed anti-Czechoslovak activities of emigrants in the West, in a letter the Czechoslovak news agency received today.

"The third European convent on nuclear disarmament took place in the Italian town of Perugia in recent days. According to Western news agencies, it was to be a dialogue between representatives of peace movements in Western and Eastern Europe with the participation of peace fighters from the United States, Japan and the Pacific area. It was a queer dialogue in the light of the fact that, for instance, a delegation of the Czechoslovak peace committee was prevented from taking part simply by failure to issue its entry visas in time.

"This assembly was addressed also by the ill-famed renegade Jiri Polikan, who lies to present himself in the West as a representative of 'socialism with a human face'. In Perugia, he hypocritically presented himself as a fighter for human rights and freedoms," Stanislav Svoboda said.

"As a Czechoslovak citizen, I cannot remain silent on this hypocritical statement," Stanislav Svoboda continued.

"During negotiations of the release of the twenty Czechoslovak citizens abducted by UNITA from Alto Catumbela, an official of this movement said that at the time when our representatives were exerting maximum effort for the release of our experts, various emigrant organizations and their officials were striving for the exact opposite. We were shocked by his statement that Jiri Pelikan had demanded in several interventions the prevention of their release and even suggested to UNITA that they be shot dead. Such is the true moral profile of this 'fighter for peace, freedom and human rights'. So deep has fallen a man who would like to teach us lessons in patriotism, humanism and democracy. Therefore are we pleased that despite the efforts of such bloodthirsty monsters, our leadership succeeded in securing the happy return of our citizens to their families and work teams," Stanislav Svoboda concluded his letter to CTK.

BANK SIGNS $330 MILLION TRADE CREDIT FROM FRG

LD260743 East Berlin ADN International Service in German 0158 GMT 26 Jul 84

[Text] Frankfurt/Main, 26 Jul (ADN) -- A credit agreement for $330 million with the usual international conditions has been reached between the Deutsche Bank Luxembourg and the Foreign Trade Bank of the GDR, and has been signed by Dr Polze, the president of the GDR Foreign Trade Bank.

HONECKER'S BIRTHDAY GREETINGS TO FLORAKIS

AU231242 East Berlin NEUES DEUTSCHLAND in German 20 Jul 84 p 1

[Text] Berlin (ND) -- The SED Central Committee has sent the following greetings message, signed by its general secretary, Erich Honecker, to Kharilaos Florakis, general secretary of the Central Committee of the Greek Communist Party [KKE]:

Dear Comrade Kharilaos Florakis: On behalf of the SED Central Committee and on my own behalf I convey to you most cordial congratulations and fraternal militant greetings on your 70th birthday.

The communists and all working people of the GDR respect you as an unyielding fighter for the ideas of Marxism-Leninism and proletarian internationalism, as an outstanding representative of the Greek and international workers movement. Your work over decades is most closely linked with the heroic struggle of the Greek people against reaction and opppression, for guaranteeing the national independence, for democracy and social progress.

At all times you have proven to be a true patriot and convinced internationalist. As general secretary of the Central Committee you have made a decisive contribution to the fact that the KKE has become an influential force in the political life of Greece and has achieved significant successes in the struggle to guarantee the vital interests of the working people.

We highly appreciate the KKE's principled and creative Marxist-Leninist policy, its deep affinity with the people, and its consistent support for the unity of action of the communist and workers parties.

Under your leadership the Greek Communists are in the front row of our joint struggle to secure peace, against the danger of a nuclear inferno emanating from the most aggressive circles of imperialism, in particular the United States.

The strengthening of the inseparable militant alliance of our two parties and the development of friendship between the peoples of the GDR and Greece have always been a matter close to your heart.

We wholeheartedly wish you, dear Comrade Kharilaos Florakis, much success, the best of health, and creative vigor in your responsible work.

X X X

At the proposal of the SED Central Committee Politburo the chairman of the GDR State Council awarded the secretary general of the Central Committee of the KKE, Kharilaos Florakis, the order "Great Star of Friendship Among Peoples."

STOPH CONGRATULATES NEW EGYPTIAN PRIME MINISTER

AU231905 East Berlin NEUES DEUTSCHLAND in German 21/22 Jul 84 p 2

[Text] Berlin (ADN) -- Willi Stoph, chairman of the GDR Council of Ministers, has conveyed a congratulatory telegram ot Kamal Hasan 'Ali, prime minister of the Arab Republic of Egypt, on his assumption of this post. The certitude is expressed in the telegram that the fruitful cooperation between the two states will continue and deepen in the interest of peace and for the mutual benefit.

NUCLEAR POWER EQUIPMENT PROTOCOL WITH USSR

LD200330 East Berlin Voice of GDR Domestic Service in German 1700 GMT 19 Jul 84

[Text] The USSR and GDR are expanding their cooperation in equipping nuclear power stations in the GDR. A relevant protocol was signed in Moscow today.

BRIEFS

ENGINEERING PACT WITH DPRK -- A program on deeper economic and scientific cooperation up to 1990 was agreed today by the GDR and the DPRK. It relates to selected fields in engineering, electronics, and electical engineering. The document was signed at the end of a visit to Pyongyang by Rudi Georgi, GDR minister of machine tools and processing machinery. The program stipulates, among other things, that the DPRK will receive aid in the reconstruction and modernization of machine tool factories. The GDR will also help the Far Eastern fraternal country to create a domestic base for the micro-electronics industry. Korean citizens will be given basis and further training in the GDR. Another focus will be the increased import of raw materials from the DPRK. During an exchange of views, Korean Premier Kang Song-san and Rudi Georgi discussed how the agreements reached during the top-level meetings in June can be put into practice. [Text] [East Berlin Domestic Service in German 2000 GMT 24 Jul 84 LD]

SCIENTIFIC COOPERATION WITH USSR -- Herbert Weiz, deputy chairman of the GDR Council of Ministers and minister of science and technology, and Leonid Yefremov, first deputy chairman of the USSR State Committee for Science and Technology, on Friday [6 July] discussed problems related to the long-term development of science and technology and to deepening scientific-technological cooperation. Particularly underscored was the need to focus the tasks of research cooperation on developing procedures and equipment to an even greater extent on high targets concerning an economical use of materials and power as well as on creating closed material cycles and waste-free technologies that take into account the growing requirements of environmental protection. [Text] [East Berlin NEUES DEUTSCHLAND in German 7/8 Jul 84 p 3 AU]

ECONOMIC, S&T TIES WITH USSR -- On 10 July Gerhard Shuerer, SED Central Committee Politburo candidate member and chairman of the State Planning Commission, received Aleksandr Bovin, member of the Central Auditing Commission of the CPSU Central Committee, and Nikolay Shishlin, advisor at the Secretariat of the CPSU Central Committee, for a friendly talk on the development of the fraternal relations between the SED and the CPSU and the economic and scientific-technological cooperation. They agreed that the main thing is to consistently and purposefully implement the far-reaching tasks of deepening cooperation in science, technology, and production stressing the importance of specialization. They also stressed the importance of an increased exchange of experiences. [Summary] [East Berlin NEUES DEUTSCHLAND in German 11 Jul 84 p 2 AU]

POLISH AMNESTY BRINGS NEW PHASE OF STABILIZATION

AU251245 Budapest NEPSZABADSAG in Hungarian 24 Jul 84 p 2

[Gabor Miklos article: "The Sign of Consolidation"]

[Text] The general amnesty accepted by the Sejm session on Saturday, 21 July, has gone into effect. According to the law, those affected by the amnesty will be released within 30 days. In all, more than 35,000 people are involved. Out of this, of course, only a fraction is represented by the number of political prisoners -- 652 people in all. The importance of the issue, however, is much bigger than this.

The granting of the general amnesty -- as declared in Poland -- is closing the recent stormy period in Polish history which was full of conflicts; it provides the opportunity for those who got into opposition with the socialist order to return to normal life. In the last 2 years, the leadership of the Polish Government has made several similar gestures, but none of these steps was similar in size to this one. The current amnesty gives the possibility for the release of the leaders of the Social Self-Defense Committee antistate organization, seven extremist leaders of Solidarity, the leaders of the right-wing nationalist "party" Confederation for Independent Poland, and several other individuals whose names have been synonymous in the last years with social tensions and conflicts. There is no doubt that the general amnesty cannot be equivalent to a political judgment of these people. The role they played in Poland was harmful for their homeland and their people, and also eventually threatened the security of the continent. Nobody can absolve them from the weight of their deeds. The Polish Sejm, with its decision, abandoned its right to legally call these doers of damage to account. They did this on the condition that those now being released will give up their destructive activity. How things turn out remains to be seen.

The introduction of amnesty, they stress in Poland, was made possible by the fact that the overwhelming majority of public opinion understood what antisocial aims these people were serving, and turned away from the inciters by supporting the concept of general agreement. The local council elections held 1 month ago were a clear reflection of this support. The Amnesty Act canceled the state legal procedure against Jarosewicz, former government head, and Wrzaszczyk, deputy premier. As previously concluded by the Sejm, constitutional responsibility lies upon them for an incorrect and harmful illegal economic management during the seventies. They gave up further legal procedures, thus concluding that the results of the investigation published supply sufficient conclusions for the future.

With this, Poland began a new phase of political-social-economic stabilization; the decision was made in a sovereign way, taking into consideration the country's internal conditions. There was not and could not be any pressure by any foreign power or domestic "moral authority."

KADAR SPEECH ON INTERNATIONAL, DOMESTIC ISSUES

LD252043 Budapest Domestic Service in Hungarian 1630 GMT 25 Jul 84

[Speech by Janos Kadar, first secretary of the MSZMP Central Committee, during visit to synthetic textiles and knitwear factory in Budapest, on 25 July -- recorded]

[Text] Dear women-comrades, dear comrades. First, on behalf of the guests who arrived with me, I thank you for the invitation, the cordial welcome, and the briefings which we have received at a preliminary discussion and here at this meeting.

Thus, by way of greeting, I should like to congratulate the leaders, functionaries, party members, and nonparty workers of the large factory collective for the respectable and honest fulfillment of tasks which you have demonstrated here in the past years in the most important sphere, work. And I should like to congratulate you, to no lesser extent, for your standing ground in (?voluntary work), too, which I have taken cognizance of and sensed here, too. Your collective has received many high decorations, and it seems to me that it can still receive (?more), if you continue in this spirit. However, I feel that these decorations are external recognition of your work and achievements. This is important, people need this, as does the collective.

However, I believe that it is almost as important for the people who do this work to be in harmony with their consciences, so that if the men shave, they do not have to be ashamed of when they look into the mirror in the morning. This also is important. And I ask you to be so kind here, in the center, and in the individual factory units, all (?five) of them, to convey our greetings, congratulations for standing the ground, the greeting of the Central Committee, and my own personal greeting -- please convey these.

Now I would like to speak about certain questions and to deal with some of the questions you have been mentioning. We work in the center; some of the guests here work in party headquarters, some in the government, others in other places, in Budapest and Erzsebet, or elsewhere. For those of us in the center, these are the issues with which we are most concerned, in order of importance:

We are mainly concerned -- I mean not in the everyday sense, but in general -- with the international situation, first of all with the international situation that has recently become more tense; in other words, we are concerned with the security and [word indistinct] of our country. This is the very first issue with which we are dealing. We try to work in its interest.

These are commonplace things we have heard many times. I cannot avoid them either; I can't avoid saying that recently certain tensions have arisen in the international situation which are caused, in our view, by those circles of the United States which are aiming at superiority of strength.

Countries of the Warsaw Pact have taken a clear stand and have made it clear, and publicly, that although they are not aiming at superiority of strength, they will not let others have it. Now this is the most important thing, because this is the precondition of the security, future, and peaceful building work of our people and our peoples. Apart from this it is the policy of all the Warsaw Pact states that we want peace, we want the peaceful coexistence of countries with different social systems. We also want wide-ranging contacts according to the interests of the sides. We want this and we are not going to give up this policy in any circumstances, not even in the present complicated, more tense situation, because this is what we are aiming at.

We, the Soviet Union and all member-countries of the Warsaw Pact, including the Hungarian People's Republic, believe that even in the present complicated situation every question can be solved through negotiations. And we want this. [Kadar strongly stresses the word "this"]

It is true that recently we have also emphasized that we mean real negotiations and not misleading peoples, not eyewashing them. The Soviet Union and all members of the Warsaw Pact believe this, and this has been stated by the Soviet Union separately, as well as by the Warsaw Pact as a body. They are ready for real negotiations, real, genuine negotiations, and this has not changed. This is the essence of our foreign policy.

It is my conviction that this suits the interests of our own people, and it suits the interests of the peoples of the socialist countries and of all mankind; it is in the interests of all mankind that this should happen.

Several proposals have been advanced in the agenda published by the Warsaw Pact itself, and with great emphasis last January that stated that the two systems of alliance should sign an agreement according to which they give up the employment of force and threatening force against each other and aim at peaceful and fruitful contacts. This proposal is still in force.

Similarly the Warsaw Pact has another proposal, a newer one: Let us agree to stop the growth of arms spending and, what is more, let us decrease the spending. These are rational proposals. All peoples would benefit from them. The very recent proposal is that we should come to an agreement on making space free of arms, and we should put a ban on chemical weapons, and so forth.

The Soviet Union keeps on the agenda one and a half dozen genuine concrete proposals, and if it gets a genuine answer to these proposals then it will not say: Let us talk later, let us postpone the talks. But these genuine answers are late and we are waiting for them.

It is my deep conviction that it is not only we, but the peoples of the countries on the other side who are also waiting for this, and this would suit their interests, too.

As far as the Hungarian Peoples' Republic is concerned, as far as our party, our government, and our social organizations are concerned, we are extremely active internationally. This is our duty too. Circumstances have developed so that this is possible and we consider it our duty, to work in the interests of this -- that is, in the interests of genuine talks. Therefore, we also work in the interests of creating a situation and an atmosphere which helps to promote genuine international talks and helps to promote the opportunity for arriving at agreements.

I would also like to say here that the Hungarian Peoples' Republic has a kind of honor, as far as international affairs go, and we can deserve this honor only by using straightforward and honrable means. We always tell every partner [Kadar emphasizes "every partner" and repeats the phrase] -- we always tell every partner clearly and exactly that we are a socialist country, we are building socialism, we follow the paths of social progress, and it is our interest to continue this peaceful building work; therefore, we are devoted to peace on the basis of both our principles and interests.

In this striving of ours we meet and are united with the countries of the Warsaw Pact and of CEMA and with many other peace forces, and we are quite willing to work together with all of these forces.

You might have realized that we have a wide-ranging system of international contacts also through party lines, and the recent Prague meeting of the secretaries of the communist and workers' parties of the Warsaw Pact countries has also stressed that we are ready to work together in the interest of avoiding a further growth of tension and for the negotiated solution of all problems of the world with every genuine peace force, including, of course, socialist, social democrats, developing ones, and other social forces and parties, and we also include in this the sober and responsible Western political factors.

Let me say a few words about domestic politics in general. What we say about the domestic political situation -- and we say this to our international partners, though it appears that they are well aware of this -- is that the internal situation is stable in our country.

As you can feel here, within your own collective, this is our joint achievement [words indistinct] that there is a stable domestic political situation. The leading role of the party is being asserted in the fundamental issues of society, as required. Our people's state has a good reputation and honor. In this way, and in the knowledge and spirit of this, we are preparing for the 40th anniversary of our liberation. It is, naturally, a historic stage and will provide an opportunity for us to review what we have done and how we have lived here over the past 40 years [words indistinct]

Recently the Central Committee decided to convene the 13th party congress for the spring of next year. We are hoping that the fundamental resolutions of the congress which concern the Patriotic People's Front [PPF] and can be approved by it will be accepted by the social forces united in the PPF. These are the issues that affect the fundamental questions of interest to the people.

There will also be national elections, since the mandate of the National Assembly is due to expire. As happens on these occasions, a new parliament will be elected and a new government formed. Thus we are in the midst of a great political campaign -- in other words, in the midst of great political activities.

All this may appear to be a lot of additional work. In a certain sense, it is indeed extra work. At the Central Committee session where the decision about the convening of the party congress was reached, we already warned in advance and indicated the spirit in which we wished to prepare for the congress. First of all, we intend to do this in the spirit of a critical and realistic appraisal of the work we have done so far and of our current situation. When I use the term "critical" I also think in terms of the need for us to state what is correct, what is going well, and what needs not to be changed but strengthened. At the same time we must also be aware of what has to be changed or improved. [Words indistinct] I think of preparations for the congress and am not really afraid of the additional work on account of the congress, the 40th anniversary, and the elections, because we must deal, both at the congress and during the election campaign, with the basic issues determining the life of the people. In other words, what is required is a working conference. The elections, too, must be held in this kind of spirit.

Let me mention in this context that a fairly widespread initiative has developed in connection with the socialist work competition pledges for the 40th anniversary of the liberation. Since the Central Committee reached its decision, this has also been extended to include the congress among the pledges made by working people. We have heard that in this factory, too, [word indistinct] brigade has been formed. Indeed, the National Council of Trade Unions and the Central Committee of the Communist Youth League express their thanks and salute this initiative in today's papers. Let me take this opportunity to join them on behalf of the party Central Committee. We highly appreciate it, and I want to express my thanks for the attitude adopted by working people in reacting to it. I am convinced that the socialist work competition and these pledges really honor these great occasions and they will also help to solve the issues of life.

Although, as you will understand, we are still in an early phase of the preparations for the congress, we think that the 13th party congress, followed perhaps by the PPF and all the people during the elections, will confirm the fundamental and substantive trends of our policies. We are convinced that our policies are based on principled foundations and the main direction of our policies has been proved in practice. This applies not only to domestic and foreign politics but also to economic, social, and cultural policies, as well as in other spheres. It must be added that the realization of things in practice is not as successful as the correct setting of goals. Practical work must be improved.

At the same time we are not superstitious; we are quite prepared to review decisions which we, ourselves, have reached, and which do not seem to operate all that well in practice. We shall correct these things. This is the way we intend to prepare for the congress. We think that this is the party's duty, brought about by its role in society, and it also represents the honest serving of our people's cause.

In our country the basic working classes, the workers, the peasants, the intelligentsia, other working people, employees, communists, and people outside the party can agree on fundamental national goals.

I am convinced that this unity is gaining strength. It should also become stronger in such a way that the democratism of our system gains, at the same time, strength and breadth. The larger the number of working people who can have a substantive say in decisions over matters -- whether in the locality, in the workshop, the plant, at a large enterprise, in a district, in the capital, or in the country itself -- the greater the support, that is to say, the backing we get from the masses in the realization of the policy that we have shaped and that I think we should continue. This is an extremely important matter, and we have, indeed, succeeded in establishing national unity for the realization of socialist objectives, which is, perhaps, without precedent in the history of Hungary.

You will surely not misunderstand me when I say that this joining of forces and this cohesion are by no means a bad thing, seeing that they extend to include the workers, peasants, communists, those outside the party, and the churches. This is significant in itself.

A very important event was held last spring when all the churches in Hungary organized a conference, at their own initiative, which was also given a very lofty title, "For Peace and the Motherland." This was by no means a bad thing, for it showed that there is agreement anong us on certain fundamental issues. It is also no accident -- and I consider this to be a really good thing -- that the Lutheran World Federation is holding its world assembly, for the first time ever, in a socialist country. Yes, they are getting on with their own business. It must be said that this is a good thing, a correct thing, and for us the decision of the Lutheran World Federation is a real honor. As hosts, we are doing our best to (?ensure) that they can get on with their own business. All the more so -- and I would say this in praise of this assembly -- because I can see matters of the world being discussed. They are talking about peace, taking a stand against racial discrimination, and stressing the need to solve social issues [word indistinct]

As far as construction work is concerned, as well as how, in what conditions, and among what difficulties it is proceeding, well, this has been illustrated well by people speaking before me when they talked about real issues, and there are indeed, questions that need to be answered. However, I would say that we should not ignore the fact that we have achieved substantial results under very difficult conditions in the sphere of the people's economu ober the past few years. This applies to the whole country.

Thus, for instance, in the fields of agriculture, industry, trade, transport, and other areas, things have developed basically in accordance with the people's economic plans in the first half of this year. That is quite something, given our conditions. So this first half-year has developed in an encouraging manner.

Naturally, we also have problems and difficulties. You remember two fundamental resolutions of the 12th congress. It was not a pleasant program, but we also spoke openly, and we said that the number one issue of these years was to reduce the foreign debt, or at first stop it and decrease its growth if possible.

This, unfortunately, became somewhat more crucial because we had to refer to it, 3 years ago, as the way to preserve the country's solvency, and what was also entailed was that we were not able to announce an increase in the standard of living. We had to concentrate all of our strength on preserving the achieved standard of living. It appears that these fundamental goals, are perhaps being realized (?but it will be difficult), and this must be counted on at the 13th congress.

There is no doubt that we must stop the further growth of debt; in fact we even have been able to reduce it to a certain, small extent. We have preserved the country's solvency under very complex and difficult international conditions, and we have retained the general level of the standard of living -- with great unevenness, I must admit. When we speak about the national average, of course, there is no one in the world who actually represents the national average: This is formed statistically, but [word indistinct] is possible.

Here I want to raise a sharper issue, because nowadays there are always scholars who go with crutches, who are able to name the faults and the problems, too, but are not able to offer an intelligent word about the solution.

[Words indistinct] How did we fall into debt to such an extent? Who answers this? There is a very simple explanation for this getting into debt, and we have told it many times already, but, since I am now speaking about it, I must say it.

This is the reason for it: First, since 1974we have sustained great losses in the exchange rate. This is the reason, the fundamental reason. If I want to buy the same thing now, (? and in the intervening years, too), it has been necessary to spend 20 percent more on it than in 1974. I do not wish to (?elaborate further on this).

The second such reason -- and this also must be said openly -- is that everyone, we included, has viewed certain international economic tendencies as being transitional evils. It emerged that these are not transitional, but lasting.

The next error came forth -- this also must be said openly -- that following 1974, for a good number of years, we spent more than we produced. This even applies to the standard of living, that more was spent than was really available. The debt and falling-into-debt problems ensued from this. Here, he who wants to can philosophize that, if, let us say, our leaders had been more clever, and if it had been said sooner that now the development of the standard of living must be blocked, because we have come to the point of necessity, then it would have been blocked at a lower level.

So please choose. I believe that alongside all their everyday grumbles and complaints -- and I must say, often rightful complaints -- people sense and know that this is a (?standard of living) which is worth fighting for, in order to preserve it [word indistinct] Everyone knows this.

Here is another of our adverse problems. It is necessary for us to face such serious competition on the international market because half of the country's national income is realized in foreign trade. What can we do? When I say foreign trade this thought (?applies) to socialist, capitalist, everything. But no one accepts as a favor mediocre products, bad products, anything, just as we do not. (?Let us not refrain from) comparison (?in this either); we fell somewhat behind in this, too, in all of the Hungarian people's economy, with the modernity of its (?products), with their quality, and so on and so forth, and even the production costs.

So, since then we have intensified stringency. Obviously, the comrade managing-director, or where she is such, the woman-comrade, the other technical managers, and the party secretaries have had to account for even more. But what should we do? There is no other way. There is no other way.

There is a characteristic of our policy which we must also preserve at the 13th congress: that it takes reality as its point of departure. It takes the truth as its point of departure, as it is, and not our dreams, as we imagine it and would like [words indistinct] We are in such a situation.

Everyone says that we are working under difficult circumstances, but I shall tell you something that might not (?affect) your plant as such, but is [word indistinct] in our country. Our industry -- there is something that can be shown without opposition, the problem is that it all looks like a spotted dog: good, bad, everything is in it. [sentence as heard] Agriculture, [words indistinct] however, we are struggling in difficult circumstances. But I ask, comrades: In our socialist economy 30 percent more material is necessary for the gross product than in the most developed countries; 30 percent more is necessary; 20 percent more energy is necessary; does not this provide the lesson for us? Does not this provide the lesson for us? This should be painful for us in all circumstances. This is because if we do not want to preserve our system by force and the use of arms -- which we do not wish to do -- then we must prove by other means that our social system is superior, which is the truth. We must prove this by these other means. We must learn to work and manage well at the level of the people's economy, at the level of plants, and even within families.

Incidentally, Hungarian light industry has very promising perspectives in addition to our own strengths. Very recently a great conference was held, the great CEMA meeting which was successful and important, at which very clear, encouraging, and good trends for the future were set out. There are also great reserves in the economic activities between the socialist and CEMA countries. There are still unexploited reserves in the spheres of the division of production, cooperation, and other areas. And there is a great demand for our products, but this is not a matter of doing us a favor, and this demand is not for shoddy goods. The demand is for up-to-date, good-quality, and moderately priced goods produced by our light industry. As far as the long-term perspective for the future is concerned, this is a stable market which is not dependent on other factors.

So, we will exploit our own possibilities as well as the opportunities available in cooperation between the CEMA countries. In addition to that, we will not isolate ourselves within our own circle. We intend to carry on with our economic cooperation with the developing and the developed capitalist countries on the basis of the usual conditions -- namely, mutual advantages in accordance with the interests of both sides. We want to develop and expand this, and Hungary must seriously join in the international division of labor.

However, the textile industry is also threatened by the developing countries, which are catching up. They represent serious competition for us on the markets of the developed capitalist countries.

So, there are the things we are dealing with, and the kind of approach taken toward work will be very important. I, too, would stress that basically what is needed is the kind of determination that already exists in general in the country, but I would not yet extend this to include everybody. The majority of workers in industry, agriculture, and transportation work decently. However, they do not catch the eye.

So what we require are determination, consistency, steadfastness, and purposefulness. At the same time the day-to-day tasks must be solved. One should think in long-term perspectives, and these are encouraging and lofty [words indistinct] We must also work on these. That is the idea.

I am also telling you, comrades, that we have the means for the work to be done. We have a management system that operates well, and we will develop it further in a way that will ensure that sensible work is improved and that the management system becomes more democratic. [Words indistinct] There will not be leadership by a single person, and whatever staff members are not very large, the work of management will be carried out by an elected management. Even where single-person management continues, there will still be elections because, according to experience, people usually elect someone whom they expect to do well rather than someone who appears as if he might bankrupt the enterprise. [Kadar laughs]

There is a need for democratization, which means that people should be given responsibility. [Words indistinct] Wherever there is a person who does not advance business, I am always held responsible, with people saying: Why do you tolerate this? At best, they put the you in the plural. And yet, I haven't the faintest idea what they are taking out.

So, what we need are appropriate determination, the right attitude, and work. I know that our people have that determination and attitude, and these will produce their result. [Words indistinct] our policies are open and we are less satisfied with the results and more likely to dwell on the problems. In our experience, this is correct, and in this way people have a better understanding of the situation. They also recognize better what needs to be done.

A great many questions have been raised in connection with work, wages, and prices. On this occasion I cannot give concrete answers to these questions. It is a good thing that these matters have been raised because they add to the picture with which we must be thoroughly acquainted at the center.

However, there is a question that I would like to touch on. I do not wish to give a substantive answer here to the subject of the relationship between wages and prices. This issue is on the agenda and we are dealing with it. I would like to raise it in a different sense and to give my own personal view on the subject. It is my conviction that in a socialist system people should not be encouraged and materially supported to consume more. People can do that quite spontaneously. Rather, people should be encouraged far more often to produce and not to consume. This issue has not been solved yet and this idea has not become established. However, that must be accepted, comrades, as a lasting endeavor. I ask you to understand this and also to agree with it. He who produces more should get more, and he who produces less should get less.

I am in favor of an improvement and increase in wages wherever they are based on real production. Wherever this production is lacking, it is very difficult even to talk about wage increases. So our program is and should be that work backed by real production should be better paid. This cannot be achieved within 5 minutes; it is our lasting endeavor. We are proceeding along this path, making slow progress.

As far as consumption is concerned, we should only subsidize from budgetary funds the basic essentials, such as health and the like. (?As for the rest) gradually one should have to pay what it costs. What can we do? There is no other alternative under lasting, orderly, and stable economic conditions.

So at present we are maintaining the standard of living -- naturally, only in general terms -- throughout the country because in individual cases, unfortunately, this can change in positive and negative ways. However, what else can we say? We have great achievements [words indistinct] people live in security. That is quite something. People live in conditions of legality -- that is to say, in accordance with the laws of the socialist countries. That means that he who has not offended has nothing to be afraid of -- and this is a great achievement -- and he who has offended must fear the law, though we (?should somewhat strengthen this). That is the truth. He who utilizes the opportunities provided by socialist society should prosper, and he who abuses them (?should be punished); this is the principle. [Words indistinct] This socialist society has not been built to benefit those who abuse it but to ensure that decent working people can prosper.

There is also social security. Of course, I do not want to enter into polemics with you but let me say that sometimes I feel that there is more social security than is good for people, for the individual members of society. That is very good. He who wants to work can work, and if he works he receives what he is entitled to. That means getting his wages, plus other benefits. After all, these other entitlements amount to 34-35 percent of incomes these days. People get those entitlements even though they are not included in the pay packets. So the people have social security. But those people who have had some experience of life know that often the respectably working great mass does not emphasize or even keep in mind to a great extent the remuneration, what is due and what is not due. Rather, the person concerns himself with it who really is not entitled to it, because he does not meet his obligations. These people know about every right, and they take their share of everything. So there is a need for (?protection) and for honest workers in everyday practice, not just people who want to take advantage of the opportunities and do (?not meet) obligations.

This is what I wanted to tell you here. Again I say that I am very glad that this meeting and these discussions took place. Here we used very polite expressions, but hard things were discussed. This, too, is right and necessary. We must speak openly with one another. I ask you to continue to work, with impetus and devotion, in the first place for the fulfillment of the year's plan, whose very great significance, apart from our needs, is to lay foundations for the new 5-year plan.

And, good, we now live in a 5-year plan with minimal development, but slowly we ought to work out conditions so that there is a little movement in the next 5-year plan, and so that there will be more dynamic forward development in every regard. If we seriously set ourselves to do the task and work respectably until then, in this 1 and 1/2 years we can create the conditions so that a period of vigorous socialist development can start in (?the next) 5-year plan. It is necessary to have trust and to work, and the results can be achieved.

Again, I thank you for the exchange of views. I wish personally everyone who is here good health. I wish you success and again I ask you to convey our greetings with the fact that our Central Committee and our government are convinced that if we work hard and consistently, we can look ahead with good hope to the years of socialist development. Thank you. [applause]

SARLOS MEETS WITH KUWAITI DEFENSE MINISTER

LD252017 Budapest MTI in English 1746 GMT 25 Jul 84

[Text] Budapest, July 25 (MTI) -- Istvan Sarlos, deputy chairman of the Council of Ministers, met Shaykh Salim as-Sabah, minister of defence of the state of Kuwait, currently staying in Hungary.

The meeting was attended by Army General Lajos Czinege, minister of defence. Also present was Tal'at Y. al-Ghusayn, ambassador of Kuwait to Hungary.

VIEWS ON OLYMPIC NONPARTICIPATION DISCUSSED

LD251742 Budapest in English to Europe 1050 GMT 25 Jul 84

[Text] And now "What You Say," another edition of the feature in which you say what you think of us and of each other. The Los Angeles Olympics begin this week, and one of our oldest friends and longest-established listeners [name indistinct] from Britain is at odds with us over the fact that Hungary is not participating in the 1984 games.

[Male presenter] Well, that's real sportsmanship, that is. Everyone has to follow big brother. Moscow says: No go. All say: No go. I am sick of this infantile back-biting between the United States and the USSR. They are different, yes. So what? Let's live together side by side; at least, agree to differ. It is pathetic playing follow my leader, for crying out loud...why can't governents think for themselves?

[Female presenter] In a little more moderate vein Gordon [name indistinct] of Rochester in the United States regrets what he describes as political decisions damaging the tradition of sport and competition between youths.

[Male presenter] I am sorry that you are not coming to the L.A. Olympics. I felt bad when we did not go to Moscow in 1980. These political decisions to hurt a great tradition of sport and competition between youths. I surely hope you don't feel that your athletes are unsafe in our country. Nothing could be further from the truth.

[Female presenter] So some points in these two letters need to be taken up. However, (?they are) quite wrong (?in this) talk of (?big brother), follow my leader, and governments not thinking for themselves. Hungary thought very much for itself on the subject of whether to participate in Los Angeles or not. And while it is clear that the authorities recommended to the National Olympic Committee that we should withdraw, the actual decison was left to a (?spring) vote of the Olympic committee itself, which incidentally was shown on television. On our part and, we believe, on the part of the Soviet Union, there was no question of infantile backbiting involved. To express that view is to believe that the Soviet Union decided not to go to Los Angeles in simple revenge for the American-organized boycott of the Moscow Olympics in 1980. [Passage indistinct] simply to throw all that money away at the last minute?

(Raymond) is right, however, when he says that the United States and the USSR are different, and so what? Let them live together side-by-side, and at least agree to differ. But I doubt whether even (Gordan Blum) of the United States, who asked us whether we really believed our athletes would not be safe in his country, would argue that the United States Administration had done anything serious to prevent a considerable effort by reactionary groups in Los Angeles to create not just differences but an atmosphere of outright hostility to the Soviet team. (?Indeed), when I read the article by (Christopher Brasha), a dedicated sportsman and Olympic enthusiast, in the OBSERVER magazine, about the atmosphere in and around the Los Angeles games, it was easy to see what was being planned. When (Brasha) reports in the Sunday OBSERVER that top sports officials among his friends in the United States were telling him to come to the games, (?to see what we shall do to the Russkies), and that in the streets of Los Angeles (?lapel buttons) were being sold bearing the slogan "Kill the Russkies," one must have doubt about security.

As for the Hungarians, we do not contend that a similar reception would be prepared for them. As the sports daily NEPSPORT wrote not long after the decision to withdraw, there is no anti-Hungarian feeling in Los Angeles. However, there are quite a few trouble-makers. Again, [word indistinct] organizers [word indistrinct] could, or would not, ensure adequate safety.

One should also mention that the organizations preparing these actions quite openly couldn't care less whether their main enemies happen to be Soviet, Hungarian or Bulgarian citizens. It is in light of these facts that I think (Gabish Yanga Agarval) of India, president of a local [word indistinct] (?sportsmen's) club, is much nearer the truth than Raymond or Gordan when he writes in the name of all the club's members.

[Male presenter] We found it really surprising that the United States wants to destroy the spirit of sport by not providing sufficient security for socialist competitors. In our view it was a good step not to take part in the Los Angeles Olympic games.

[Female presenter] (?One writer in) disagreement with (Gabish Yanga Agarval): We do not think it was a good step not to take part in the Olympic games, but a very unfortunate one for which the responsibility must lie with the United States Administration [words indistinct] for its failure to provide real security at the games but because it actually encouraged, directly and indirectly, the people who could sell those (?lapel buttons) and the [words indistinct] that is happening this week, the march through Los Angeles, from the coliseum to the gates of the Olympic village by the officially approved captive nations' crusade.

And lastly it must be said: Hungary, like the other socialist countries, remains a pillar of the Olympic movement, faithful to its ideas. And the whole of the Los Angeles Olympics will be covered in our media, and our best sports commentators are there to do their job. And of course, we ought to remind you that we will have an Olympic roundup in every one of our English transmissions during the games.

BRIEFS

NEW KAMPUCHEAN AMBASSADOR -- Budapest, July 24 (MTI) -- Sandor Gaspar, vice-president of the Presidential Council, met Chim Nguon, Kampuchea's new ambassador extraordinary and plenipotentiary to Hungary, who presented his credentials. Present was Deputy Foreign Minister Gabor Ngy. [Text] [Budapest MTI in English 1748 GMT 24 Jul 84 LD]

NEW CUBAN AMBASSADOR -- Budapest, July 24 (MTI) -- On Tuesday Sandor Gaspar, vice-president of the Presidential Council, met Cuba's new ambassador extraordinary and plenipotentiary to Hungary, Euclides Vazquezcandela, who presented his credentials. Present was Deputy Foreign Minister Gabor Nagy. [Text] [Budapest MTI in English 1749 GMT 24 Jul 84 LD]

AUSTRIAN TRADE UNION VISIT -- An Austrian trade union delegation paid a 10-day visit to Hungary. Twenty-four officials of the Austrian Trade Union Federation met Mr Lajos Mehes, general secretary of the Central Council of Hungarian Trades Unions. At a seminar, the Austrian delegation became acquainted with Hungarian history, the improvement in the living and working conditions of the workers, the activity of the Hungarian trade unions, and questions of strengthening work-place democracy. [Text] [Budapest in English to Europe 1050 GMT 24 Jul 84 LD]

MORE PRISONERS BENEFIT FROM AMNESTY ACT

Proceedings on 2d Day

LD251319 Warsaw PAP in English 1134 GMT 25 Jul 84

[Text] Warsaw, July 24 [date as received] -- Courts amnestied 1,815 persons today on the second day of implementing the Amnesty Law. 646 persons who had been sentenced to up to two years in prison and 38 whose liberty had been restricted, had their sentences completely remitted. 58 convicts had their sentences reduced by half. Also, courts dropped proceedings in cases of 1,064 people, 49 of whom had been either suspected or accused of politically-motivated offences.

Prosecutors lifted temporary arrest of 264 people, dropping penal proceedings towards some of them, and all in all towards 184 people.

According to the information obtained at the Central Board of Penitentiaries, the past two days saw the release of penitentiaries and investigate arrests of 869 people, including 134 women and 126 juveniles.

8,050 on 3d Day

LD251723 Warsaw Domestic Service in Polish 1700 GMT 25 Jul 84

[Text] Today, on the third day of the implementation of the Amnesty Law, 8,050 persons benefited from the amnesty on the basis of the court decisions alone. Of these, 185 are suspected of crimes of a political nature or have been sentenced for such deeds. Over 2,450 persons had their penalty of imprisonment waived. At the same time, the courts quashed penal proceedings in cases of over 4,100 persons.

PUDYSZ: FORMER SOLIDARITY OFFICIALS RELEASED

LD251313 Warsaw Domestic Service in Polish 1005 GMT 25 Jul 84

[Ewa Hajne interview with Colonel Zbigniew Pudysz, director of the Ministry of Internal Affairs Investigation Bureau; date and place not specified -- live or recorded]

[Text] [Hajne] The amnesty was announced on Saturday. Several days have now passed. My guest is Col Zbigniew Pudysz, director of the Ministry of Internal Affairs Investigation Bureau. How is the amnesty implemented concerning persons who committed crimes of a political nature?

[Pudysz] According to data of 24 July, which was practically the 2d day of the amnesty being in force, 81 persons who committed political offenses who were under temporary arrest were released. Among persons who have been freed are known names, such as Andrzej Gwiazda, former member of the NSZZ [Independent, Self-Governing Trade Unions] Solidarity, or Antoni Pietkiewicz, chairman of the former Wielkopolska Poludniowa Regional Board of NSZZ Solidarity. Further releases will take place today, tomorrow, and the day after tomorrow.

Persons who were imprisoned for political reasons are also being released from penal institutions. These include Chairman Andrzej Slowik, and Deputy Chairman Jerzy Krupielnicki of the former NSZZ Solidarity board in Lodz; these persons have returned to their homes.

[Hajne] Have any persons who have been hiding for 2 and 1/2 years yet surrendered?

[Pudysz] As far as this is concerned, we can talk about people disclosing their offenses in connection with the last amnesty. This applies to persons who committed offenses for political reasons up to 21 July of this year. The process of such disclosures has already begun; we have people disclosing their activities in Warsaw, Lublin, and Katowice. For example, the first disclosures were made on 22 July, practically the moment the amnesty bill was adopted by the Sejm. On considering voluntary disclosures, I would like to draw attention to the fact that some persons, for reasons well understood, may hesitate to report to prosecution organs in order to disclose an offense committed for political reasons. We understand that those persons may be undergoing pressure for various reasons; for example, they may operate in illegal unions, or they have doubts over whether they have even committed an offense. These decisions should not be postponed because the rule provides for voluntary disclosure. However, the Amnesty Act has not suspended the normal operation of investigating organs. In the case of a person being apprehended he would lose the chance of benefiting from the Amnesty Act and would thus considerably complicate his life.

[Hajne] Does the amnesty cover persons who are abroad?

[Pudysz] Yes, the Amnesty Act provides for the possibility of a return to normal life of those persons who found themselves abroad, left our country illegally, or due to the introduction of martial law, refused to return home. In the past proceedings were conducted against such persons because, for example, seamen were governed by military law; hence, if a seaman left his ship it was considered desertion. According to signals received from our diplomatic or consular representatives, there is great interest in the Amnesty Act abroad, and we are taking into consideration the fact that many persons will avail themselves of the amnesty simply in order to join their families at home and to regulate their affairs.

There is another aspect connected with this, which I must mention: Staying abroad also are persons who undertook actions against essential political interests of our state, operating in cooperation with centers of subversion in the West. This question can also be solved by the Amnesty Act provisions, but in both cases the Amnesty Act will be applied by a prosecutor, and perhaps certain checks will have to be made on statements made by these persons.

[Hajne] What is most important is that they all return to normal life.

[Pudysz] We are interested in the fact that these persons should return speedily to normal life; this concerns work and their domestic situation. Appropriate guidelines have been given to the prosecution organs, courts, and the Ministry of Labor, Wages, and Social affairs. We calculate that indispensable conditions will be created for a return to normal life.

REAGAN NONCOMMITTAL ON LIFTING SANCTIONS

LD251524 Warsaw Domestic Service in Polish 1500 GMT 25 Jul 84

[Text] At a press conference held last night in the White House, United States President Ronald Reagan was asked about whether, in connection with the amnesty passed by the Sejm, he would repeal the restrictions against Poland. The President admitted, more than 2 and 1/2 years after the introduction of the sanctions, that they also harm the Polish people but, despite this, he gave an ambiguous and noncommittal answer, only stating that Washington was still studying the Amnesty Act.

STATE COUNCIL ACCEPTS ELECTION COMMISSION REPORT

LD251513 Warsaw PAP in English 1130 GMT 25 Jul 84

[Text] Warsaw, 24 July -- The state election commission presented the Council of State here today with a report on elections to people's councils held last June 17 and re-elections of July 15.

The Council of State accepted the report and expressed appreciation to the state election commission for its supervision of a strict observance of the electoral law. The Council of State stated that guidelines and explanations issued by the commission were concordant with the intention of the law in question.

The Council of State expressed a conviction that activities by the state election commission and local election commissions, as well as other bodies which took part in the preparations for the elections and saw to their course created grounds for further strengthening of society's confidence in democratic institutions of the new electoral law and for the consolidation of the conviction that changes which were introduced in the process and method of selecting local representative bodies of state authorities are necessary and durable.

Participants in the meeting examined the information on complaints and proposals submitted to the Council of State in the first half of 1984.

Having analysed the contents of the 10,500 complaints, proposals and letters, and the way they were dealt with, the Council of State approved the hitherto moves and laid down further guidelines as regards drawing general conclusions from complaints it receives and removing causes of those complaints.

JARUZELSKI, SWIRGON VISIT SUWALKI VOIVODSHIP

LD251631 Warsaw Domestic Service in Polish 1500 GMT 25 Jul 84

[Text] General Wojciech Jaruzelski, first secretary of the PZPR Cental Committee and premier, is visiting Suwalki Voivodship, where young people are spending their holidays. The premier is accompanied by Waldemar Swirgon, secretary of the PZPR Central Committee, and Minister for Youth Affairs Andrzej Ornat.

Wojciech Jaruzelski was entertained by scouts from Zgierze, who are in a group near Orzysz, and Pioneers from the GDR who are on holiday with them. The premier then visited Wilkasy near Gizycko, where scouts and the Union of Socialist Polish Youth from Silesia are on holiday, with a brigade of young Cubans.

BRIEFS

NEW TUNISIAN AMBASSADOR -- On 11 July, State Council Chairman Henryk Jablonski received at an audience in the Belweder Palace Mohamed Hedi Mokaddem, ambassador extraordinary and plenipotentiary of the Republic of Tunisia, who presented his credentials. [Excerpt] [Warsaw TRYBUNA LUDU in Polish 12 Jul 84 p 1 AU]

NEW UNDER SECRETARY -- On the recommendation of the minister of health and social welfare, the chairman of the Council of Ministers has appointed Brigadier General Dr Jerzy Bonczak under secretary of state in this ministry. [Excerpt] [Warsaw TRYBUNA LUDU in Polish 14/15 Jul 84 p 8 AU]

ON SOVIET LEADERSHIP, REAPPRAISAL OF MOLOTOV

AU251445 Ljubljana DELO in Slovene 21 Jul 84 p 20

[Danilo Slivnik report]

[Text] Moscow, July -- Very little has changed in the Kremlin 6 months since the last change at the top. Power is in the hands of the leading "troika," consisting of Konstantin Chernenko, Andrey Gromyko, and Dmitriy Ustinov, while Soviet policy is dominated by relations with the United States, which are still tense and not at all promising.

Andrey Gromyko's Ascent

A very interesting personal structure of power has formed in the Soviet party and state leadership, in which the political star of Foreign Minister Andrey Gromyko, who for more than 27 years has been at the head of the Soviet Foreign Ministry, has experienced its final ascent. No one, of course, says that the move from the domestic to the foreign field of Soviet politics has occurred precisely because of him; at the same time, there is no one in the Soviet capital who would not draw attention to the fact that the present "departments" at the summit of the Soviet political pyramid are clearly divided and that Andrey Gromyko is the one that is the indisputable strategist of Soviet foreign policy.

For the first time in history, political power in the Soviet leadership is so clearly divided that the general secretary of the CPSU and chairman of the USSR Supreme Soviet Presidium has no absolute influence on such an important field as the Soviet state's foreign policy.

At best, decisions are adopted collectively, and Andrey Gromyko is the one who is their architect and their main interpreter.

[The following paragraph appears boxed and in boldface print within the body of the item] Observers disagree only in guessing whether the current foreign political line, which is rather "hard and unyielding" when relations with the United States are involved, is the result of Gromyko's personal views on international relations, or is a logical continuation of the orientation that began in the mid-seventies and which brought the Soviet Union to the position of the other superpower in the international community. Namely, some observers believe that it is precisely for this reason that the Soviet Union is at no price prepared to give up its acquired positions in the world and has so stubbornly insisted on the withdrawal of the American missiles from Western Europe that became -- as is well known -- the cause of sharp conflicts and furious rhetoric between Moscow and Washington much before they were deployed, and believe that Andrey Gromyko is some kind of Soviet Henry Kissinger who recognizes only a "balance of power" and a "full partnership" with the United States.

Regardless of the relationship in the Kremlin leadership, according to many people, Soviet foreign policy is now facing a certain turning point, because the current direction cannot continue forever. On the one hand, the circle of interlocutors from the West who, according to assessments here could influence Washington's positions (in the last 2 months nearly all prime ministers [as published] of the West European countries, ranging from Giulio Andreotti and Hans-Dietrich Genscher to Geoffrey Howe and French President Francois Mitterrand) has been exhausted. On the other hand, the U.S. presidential elections are rapidly approaching when it will be shown who will be in the White House during the next 4 years and what can be expected from this person. If this is going to be Ronald Reagan again (which is nearly certain), then the men in the Kremlin, whether they like it or not, will also have to sit down at the negotiating table with him, regardless of the reproaches as to who has caused a deterioration of Soviet-American relations, in order to agree on relations between the two superpowers.

In this connection, according to the view of many people, they will be to a great extent forced to do this by the Soviet economic situation, which is currently truly in the background, but which, with its unsolved problems, is constantly pushing forward and which would, despite the Soviet Union's great natural resources, with difficulty bear another radical turnabout in the arms policy.

The leading "troika" also knows this well, although currently the economy is in the hands of the second ranking team, which consists of younger leaders of the Kremlin. Nikolay Tikhonov, 79, who formally heads the 116-member strong Council of Ministers, has lately been a little less active. Thus, most of operational work falls on Mikhail Gorbachev, Geydar Aliyev, and Vitaliy Vorotnikov, who is a "new man" in the CPSU Central Committee Politburo and who heads the RSFSR Government.

[The following paragraph is boxed and in bold print and appears within the body of the item] Mikhail Gorbachev, who at 53 is still the youngest member of the country's highest party leadership, is also the one who, according to rumors from the Kremlin, is considered to be Konstantin Chernenko's successor and the one who currently is working the most on the Soviet Union's future economic strategy. Because of this, some people call him the "second" man in the Kremlin. However, this assessment is undoubtedly somewhat premature, because it is clearly known who is now taking the first, second, and third place in the Soviet party and state hierarchy and who imparts the prevailing tone to the Soviet policy.

Molotov and the Jubilee Year

In these circumstances it is not strange that, at first sight, a rather peripheral affair, that is, the return of the party card to a long-standing Stalin associate, Vyacheslav Molotov, who spent the last 20 years in complete isolation, has recently met with the greatest attention in the Moscow circles.

The Soviet press has not yet published this news, although more than 1 month has elapsed since it was learned that the party organization of old Bolsheviks, which meets once or twice a year and whose oldest member, Piotr Kolovayev, is exactly 100 years old, returned the party card to Molotov. Molotov, who on 9 March was 94 and who, after being relieved of all posts and after being expelled from the party, wrote memoirs on the first revolutionary years in Russia in a state dacha located in the suburbs of Moscow, is not much younger either. Despite this, the main questions, why the Kremlin decided on this step, is still not clear, because Molotov's activity in the recent period of Soviet history is too well-known to people to say that what was involved was a "humanitarian gesture to an old revolutionary," as this act was commented on by some observers.

It is perhaps more probable that he has been readmitted to the party as a sign of the beginning of a broader political reappraisal of certain periods in recent Soviet history, in which World War II and the activity of the then state leadership led by J.V. Stalin, and whose direct member was also Vyacheslav Molotov, should be paid special attention. Namely, next year will be the 40th anniversary of the victory over fascism, for which fervent preparations are already now being made here and at which, because of the importance of those events, the role of the chief commander, whom Khrushchev at the 20th CPSU Congress reproached for many mistakes in leading military operations, will be "cleansed" to some extent. According to many people, Vyacheslav Molotov, who in wartime was one of Stalin's closest associates, should benefit from a part of this "reappraisal."

Of course, this event may also have other dimensions, but this will be shown only after some time, while the answer is in the hands of the present Kremlin leadership which -- as appears -- does not find it easy to cope with the Soviet future or the past.

FEC REVIEWS ECONOMY; PRODUCTION UP 4.7 PERCENT

LD252246 Belgrade TANJUG Domestic Service in Serbo-Croatian 1655 GMT 25 Jul 84

[Text] Belgrade, 25 Jul (TANJUG) -- At their meeting today, Milka Planinc, president of the Federal Executive Council [FEC], and the presidents of the executive councils of the republics and provinces considered the current economic developments in the first half of the year and the steps and measures which should be taken to maintain the growth of production and especially of exports to the end of the year. According to the Federal Secretariat for Information, the program aims at overcoming the country's external liquidity problems during the period up to 1990 was also considered at today's meeting.

It was stated at the meeting that production recorded a rate of growth of 4.7 percent in the first half of this year as compared with the same period last year. It was judged that with the full involvement of self-managing and management organs, banks, and other arms of economic activity and policy, the positive trend can continue in the second half of the year as well. Attention was drawn to the need to make greater use of foreign goods credits, which would make it possible to import the indispensable reproduction or raw materials needed for the further growth of production. Considerable efforts would also have to be made to keep the economy regularly supplied with the raw materials needed for the generation of energy in order to ensure production.

Positive trends are being manifested in the field of economic relations with foreign countries, though they are still below the level envisaged for this year. Total exports rose by 6.7 percent in the first half of the year and those to the convertible area by 13 percent. Consequently, all the arms of economic policy and activity should continue to adopt further measures and embark on further activities aimed at intensifying our economy's export expansion.

As far as diverse forms of consumption are concerned, it was stated that consumption has mainly remained within the limits envisaged for this year in the Resolution on the Policy of Socioeconomic Development in 1984. The presidents of the executive councils of the republics and the provinces reported that the agreed measures have been taken in all the republics and provinces with the aim of easing the burden on the economy and enabling it to consolidate, but it was stressed that their effect was diminished to a considerable extent by increased interest rates and the change in the dinar exchange rate.

Proceeding from the fact that at the end of June this year prices were higher by 16.6 percent than at the end of December last year and that the producers' prices rose by 11.5 percent during the same period, the meeting reiterated the resolute view that energetic measures must be adopted at all levels to ensure the consistent carrying out of the agreed policy in this field. It was stated that the Economic Chamber of Yugoslavia and the Federal Community for Prices will assess the limits to which prices can fluctuate during the remaining part of the year in individual branches and groupings and in the case of individual products, while the executive councils of the republics and the provinces will also review the movement of the prices for the communal services and insist on tightening of the responsibility for the consistent carrying out of the policy of prices during this year. The meeting also discussed the preparation of the proposal on the further adaptation of the economic system to the demands of the Long-Term Program Economic Stabilization, which should be carried out by the end of this year.

18 Percent Rise in Montenegro

LD251420 Belgrade TANJUG in English 1308 GMT 25 Jul 84

[Text] Belgrade, July 25 (TANJUG) -- The industrial production in Yugoslavia in June this year was by 4.3 per cent higher than in the same month in 1983. The above information was released by the Yugoslav Institute of Statistics, which further adds that the overall results for the first six months this year are even better -- in comparison with the same period in 1983. The industrial production has increased by 4.7 per cent.

The first six months in 1984 were successfully completed by producers in all federal units, except in the Autonomous Province of Kosovo, where the industrial production registered a 3.2 per cent drop in relation to the same period last year. The Yugoslav Constituent Republic of Montenegro has registered the highest rate of growth in industrial production -- 18 per cent.

A separate analysis of industrial branches shows that the highest industrial production growth in the first six months this year was registered in ship building -- 29.1 per cent.

SAWPY CONFERENCE HELD ON STABILIZATION PROGRAM

Sukrija Report

LD231646 Belgrade TANJUG Domestic Service in Serbo-Croatian 0615 GMT 23 Jul 84

[Speech by Ali Sukrija, president of the LCY Central Committee Presidium, at the 23 July SAWPY Federal Conference session]

[Text] Belgrade, 23 Jul (TANJUG) -- Our present social situation is characterized by two essential factors: implementing the Long-Term Program of Economic Stabilization and organizaing LC activity, and the activity of our society in general, in implementing the decisions adopted at the 13th session of the LCY Central Committee.

The LCY Central Committee has set in motion organized activity in all organizations and organs of the LC to assess ideopolitical, organizational, and action preparedness for a consistent, responsible, and efficient implementation of the established policy and tasks.

This activity will be directed toward eliminating the shortcomings and inconsistency manifested in the immediate work of the LC membership, organizations, and organs and toward investing maximum efforts at further strengthening the LC unity and preparedness for organizing and leading the broadest social actions aimed at solving vital questions of our social development.

The Long-Term Program of Economic Stabilization is not only one of socioeconomic stabilization measures and acts; it is, primarily a complete program of changes in the consciousness and behavior or each working man and citizen -- in other words, it reflects the need and demand to resolve numerous questions of the development of socialist self-management relations, as the basis of further social progress, through creative involvement of all social subjects. So, we are here talking about basic ideopolitical issues of choice, rallying, and differentiation with regard to the program of further development of self-management, of creating material and social prerequisites for this development in line with the positions taken at the 12th LCY Congress and with the Long-Term Program of Economic Stabilization.

Proceeding from this point, it is necessary to stress that the main purpose of the actions undertaken by the LC is to mobilize all self-management-inclined social forces to carry out their work in a responsible way since -- and we must state this openly once again -- insufficient consistency and a lack of efficiency in the implementation of adopted duties continue to be noticeable in immediate practice and in the behavior of a section of responsible social factors. We must bring to an end this state of affairs in a resolute way and demand that every social organ, every individual carry out his tasks since that is the only criterion upon which we can judge somebody's readiness and determination to change the situation. The activities set in motion by the LC within its ranks should be understood as a decisive demand for Communists to act, within the framework of organized activity of all social subjects, in a better and more efficient way at starting and carrying out social actions aimed at consistent and responsible implementation of the LCY policy and adopted stands.

I particularly stress these factors because -- and this was also stressed in the draft conclusions of the 13th session of the LCY Central Committee -- it is necessary to reaffirm and strengthen the social role of the SAWP, as the broadest front of organized socialist self-managing forces, within which the LC as an organization and Communists as its members should manifest themselves as proponents of ideopolitical action. In this connection one of our main tasks is to invest the efforts necessary to create conditions in which the SAWP can perform its exceptionally responsible and important social role and tasks, primarily through direct action among working people and citizens, within their work organizations and local communities, and not only within appropriate organs and at forums.

At its last, augmented session the LCY Central Committee thoroughly examined the issues on the agenda of today's session of the SAWPY Federal Conference and charged me to acquaint you with its adopted stands, which should contribute to implementing the front's tasks. The LCY Central Committee Presidium is of the opinion that at the present juncture as well as in the future members of the LCY should act resolutely and contribute to the organized action of all social subjects to implement consistently the adopted economic policy for 1984, to create realistic conditions for socioeconomic development in 1985 and to implement all other measures stemming from the first stage of the Long-Term Program of Economic Stabilization.

The socioeconomic situation in the country remains complex despite certain results. There are still some crisis points in our economic life. Certain problems and contradictions are becoming more exacerbated since we have not yet succeeded in overcoming them in a more organized way, while some of them, as is well known, cannot be solved in a short time. In conditions which are not at all favorable we are accomplishing the tasks of the first stage of the stabilization program embodied in the resolution on socioeconomic development for 1984, the president of the LCY Central Committee Presidium said. Conditions for economic activity of all economic and other social subjects have become very acute this year due to the operation of stricter economic criteria and economic laws, introduced with the aim of eliminating numerous existing shortcomings and strengthening qualitative factors of operating social means in associated labor, it is becoming less possible to operate in an extensive way and spend above the earned income.

All that has been realized to date as a result of stabilization policy measures points to the need for greater efforts by all economic and other social subjects in bringing about qualitative changes in production relations and adapting to newly created stabilizing conditions of economic activity in which only increased productivity -- on which increased production and exports depend -- could be a basis for increased income, that is, for material and social progress. Such efforts have already been made and processes started in many work organizations which are courageously tackling the challenges of the present time.

Thanks to the strength of our self-management system, the achieved level of development of production forces, the socialist orientation of our working people, the efforts of workers in many work collectives particularly in production, their zeal and self-sacrifice, self-management consciousness and work discipline, and their successful adaptation to the conditions of economic activity in line with economic stabilization -- thanks to all these factors, positive results are being achieved in the economy. Although initial, these results are of particular significance in the present complex and difficult conditions of our development since they reflect the creative resources of our working class and indict the correct way out of our difficulties.

I am above all referring to the results of those collectives that have contributed to the growth of industrial production; results achieved in agriculture, increased exports to the convertible currency area, reduction of the deficit in commodity exchanges with abroad, regular settlement of foreign debts, consumption which to a certain degree has been brought in line with realistic material possibilities, improvement in supplying the economy and our population, and so forth.

Although these results should not be underestimated, we must bear in mind that they are insufficient and do not correspond either to the implementation of the first stage of the Long-Term Economic Stabilization Program or to our realistic possibilities, since we can and must achieve more, in a better and quicker way.

This means that it is necessary to make constant, exceptional efforts to expand, intensify, and strengthen the front of the battle for stabilization, to strengthen, within all work collectives, positive tendencies of socioeconomic trends, to strengthen and raise to a higher level the qualitative factor of economic activity in line with consistent realization of stabilization program and the development of self-management relations.

We are entering a period of acute differentiation in the activity and operations of organizations of associated labor when all those factors which lead our society forward should be given preference and our resolute support. In other words, we must strengthen all that is positive in socialist economic activity on the basis of self-management which should also be the basis for building the necessary instruments and measures of economic policy and economic system.

This all more so in that problems have become more exacerbated in the distribution of income and material balance, in securing the country's foreign liquidity, in the economy's weakened material position and its excessive debts, in the increased inflation rate and prices and fall in living standards, in the lack of liquidity, and increased losses. Social problems for a considerable section of working people and urban population whose only source of material existence are personal incomes earned during employment only are also becoming more acute.

In the struggle for the development of self-management and the implementation of the economic stabilization policy we are encountering difficulties, wavering, inconsistency, and even resistance to the implementation of the Long-Term Economic Stabilization Program. Resistance to the consistent implementation of the stabilization program is not accidental or surprising. It comes from etatistic, bureaucratic, technocratic, group-property, monopolistic, and other positions within many spheres of economic life. These manifestations are encouraged by insufficiently united ideopolitical action on the part of the LC and other subjective forces whose ability to act is inadequate, and who are not properly organized or sufficiently mobilized to implement the stabilization program in the way that the present situation requires.

There is and could be no alternative to the realization of the Long-Term Economic Stabilization Program. It is the realistic need of our society and the opportunity for our economic and social development. Through constant struggle and the political mobilization of the working class, working people and citizens and all socialist self-managing forces, led by the LC, we must strengthen determination and action unity and match the historical demands placed before us by the present period of our development. However, we must have no illusions in the process. Objectively speaking, numerous difficulties in and resistance to the implementation of the stabilization program are inevitable since we are carrying out major changes in the existing social relations and material and social structure of our society.

For the same reason we must overcome these difficulties and solve them through the resolute and united orientation of all creative forces of our society in the direction of the comprehensive development of socialist self-management, primarily through the implementation of the policy of relying on our own resources. Practically, this means that we must mobilize the creative powers of the working class, all working people and citizens. We must not give in to the difficulties or diverge from our program and objectives, which are exactly the reason for even more organized involvement in the direct struggle for the implementation of that policy and those objectives.

Realization of the stabilization program demands that the broadest possible social action be stepped up and conducted in the working class, among working people and citizens, in associated labor and in delegate assemblies, and that a fundamental change be wrought in the relations of production and distribution, with the aim of strengthening the material bases of associated labor and the accumulative and reproductive capacities of the economy.

The resolution for 1984 ratified the adoption of many measures in that direction, but there are delays in this, which have led to grievous consequences. We have arrived at a situation where we really can no longer tolerate the postponement of adoption of the envisaged measures, regulations, and amendments to systemic laws. The unburdening of the economy and its financial consolidation represent a priority task and an important economic prerequisite for even fuller mobilization of self-managing associated labor toward realizing the Long-Term Economic Stabilization Program. Without going into any explanation of the tasks confronting us in the sphere of economic development and economic policy, I shall stress, among other things, that the volume of investment consumption must be further reduced, along with the necessary rationalization and financing of investments from real sources. And all other forms of consumption, joint and general, must be further brought within the stabilization limits, while the principle of free labor exchange, in which we are seriously lagging, must at the same time be developed. All this demands a reexamination and revision of existing rights, programs and institutions in activities outside the economy, to which there is a great deal of resistance at all levels.

One of the most difficult economic problems of the moment is the high level of inflation and prices which casts doubts on the realization of the stabilization program, and which has a very unfavorable effect upon both the political situation in the country and people's mood. I consider that a determined stop must be put to the spontaneity and rivalry of who can raise prices the most and evade the established prices policy for this year, in contradiction to the instructions of the LC, the adopted price projections, and other measures by the social organs. We know that, objectively, prices must change, for which the projection does indeed allow, but this we must do in economically rational measure, consciously and jointly; and we must not permit uncontrolled behavior and competition between individual protagonists as to who can fish the most out of the muddy waters. We dare now allow an orientation and behavior whereby one's weaknesses in economic activity are covered up and resolved by means of price increases.

That narrow interests can be satisfied by unjustified price rises at the expense of the broadest social community is an illusion which must be broken. All those who have broken through the limits for price increases must return prices to the agreed level, and it is necessary to take economic and other sanctions against them, particularly from the sphere of credit and monetary policy, the taxation system and so forth; and here the LC advocates that political accountability be invoked for such forms of conduct. This issue was raised particularly acutely in the decisions of the 10th and the draft decisions of the 13th session of the LCY Central Committee. Whoever turns a deaf ear to these inevitably comes into conflict with the policy and standpoints of the LC, for which he must bear the consequences.

It is the duty of all subjective social forces to create the necessary conditions for workers in associated labor and their self-management organs to take the decisions on prices, to come to mutual agreements and contracts in the unified Yugoslav market. These and other questions of the country's economic and social development must be resolved by accelerated processes of associating labor and means -- that is, by strengthening the process of self-management integration as a whole, whereby the tendencies for autarkic development and the practice of regional isolationism must be decisively prevented.

Securing the conditions for increasingly full operation of the unified Yugoslav market is thus an essential component of the struggle to realize the Long-Term Economic Stabilization Program and to ensure that the economic criteria of production manifest themselves more and more fully. Bearing all this in mind, we must know that in conditions where not all the socioeconomic requisites have yet been created for relations in the market to be more fully regulated by the operation of economic laws, the role of the subjective factor is of great importance.

At the 13th session of the LCY Central Committee, we laid special stress on the fact that the LC must, through its ideopolitical action in the SAWPY and in all other segments of our system, as well as through the contribution of its members, step up the broadest social action toward creating permanent conditions for the interests of the working class and workers in associated labor to come to full expression in decisionmaking on all the vital issues of socioeconomic development in the delegate system, and not only in assemblies of sociopolitical communities, at that, but also in self-management interest communities, banks and other financial organizations, chamber and other associations of associated labor.

We considered it to be of vital importance for the realization of the stabilization program and for the further development of self-management, that the authentic self-management interests of workers be expressed in the front, and that the coordination of opportunities for production and social needs on the basis of these interests be secured. Furthermore, we must wage a determined struggle against all narrow and localist interests, which disregard the essential being of our society, its socialist self-managing bases, the unity of the working class and the joint interests in building up our present and our future. In this organized action for the further development of democratic relations, the material and political requisites must be assured to enable the working class and working people, throughout the mechanisms of the political system of socialist self-managing democracy, to be the determining factor of the development and evolution of our social community.

The high increase in prices and the cost of living this year have a negative effect on the real personal incomes of those employed in the social sector and on the standard of living of individual categories of the population.

The fact that after 1 July this year a good number of work collectives will have a restricted increase in personal incomes, due to losses or unsettled social obligations, is all the more reason for real personal incomes and the standard of living of working people and citizens to be reviewed, as soon as possible and in a fully responsible manner, in every organization of associated labor and in every social environment, and for solutions in line with stabilization to be found with the active involvement of the organs of sociopolitical communities, trade unions, and other social factors. Deviation from the adopted stabilization policy cannot be tolerated, but even less dare we permit passivity, indolence, and lack of activity in this area. Although material possibilities are limited, we must find the means to help those families whose existence is threatened by the high rise in prices and living costs, and we can only resolve these problems truly successfully through more high-quality and more productive work and through increasing incomes on this basis. In these conditions, too, the principle of reward according to the results of labor must be consistently applied, alongside a constant struggle against leveling.

I would stress that it is essential to apply consistently the regulations relating to restricting the growth of personal incomes in basic organizations of associated labor which operate with losses or which fail to settle their obligations toward society, for this is in line with realizing the stabilization program. In such organizations of associated labor we must operate as a front to mobilize workers, self-management organs, organizations of the LC and trade unions, and all other factors to eliminate poor and badly managed economic activity, to execute the important organizational, cadre, and other changes, and to secure conditions for healthy economic activity, or, on the basis of real indexes and ojectives needs and possibilities the situation in such organizations must be rehabilitated, with the involvement here of all the organizations of associated labor linked in the reproduction chain.

Particular attention was devoted at the 13th session of the LCY Central Committee, and in the draft decisions to the issue of the social role and responsibility of the LC, its members, organizations, and leaderships, for resolving the aforementioned problems in socioeconomic relations and in economic development. The most important emphasis was placed here on organizing the broadest social activities of the working class, working people, and citizens to ensure that through their own personal contribution they consistently execute the set tasks, in which the LC has the very responsible role of initiator and mobilizer of these activities in all places where the labor, self-management, and political activity of working people and citizens is being carried out.

By such an attitude towards social relations and tasks, we wish to contribute to the mobilization of all working people and citizens to execute the tasks of social development -- that is, once again to stress the vital characteristic of the activity, place, and role of LC, that is wholly and directly involved in all the vital trends and constant struggle of the working class for the socialist self-managing progress of our social community; that the place of the LC is in all calls of society; that it has found its genuine affirmation and can now affirm itself only if it operates directly in the working class, in self-managing organs, in the delegate system, in towns and villages.

In the judgement of the LCY Central Committee, the great responsibility lies before the organs and organizations of the LC, as well as before each member, to conduct a constant struggle to resolve all social issues in accordance with Tito's revolutionary line, in line with our socialist revolution. It is therefore right that we demand that Communists should be even more strongly involved in the SAWP, too, in preparing and implementing its actions in mobilizing all the progressive and creative potentials of our society, knowledge and science, and of all factors of social development.

In the activities to be carried out in coming months in our entire society, the LC and every one of its members will have to demonstrate their ideopolitical orientation, readiness, and ability to fight with determination and uncompromisingly against weaknesses, in line with the realization of the policy and tasks in further development of socialist self-management.

In all these daily activities we dare not for a moment weaken the front of our struggle against the attempts by all antisocialist, antiself-management, and hostile forces, especially against nationalism of all colors, which are trying to hamper the direction of our social development. Our results in that struggle will be all the greater in accordance with the degree to which we execute the basic tasks, among which are those we speak of today. For our strength is in the determination of the working class and all organized socialist self-managing forces, for us to develop self-management without interruption, and for us, in the struggle to overcome all difficulties, to be committed in both defense of the achievements and values of our socialist revolution and in constantly developing and strengthening them.

Rozic Report

LD232126 Belgrade TANJUG Domestic Service in Serbo-Croatian 0743 GMT 23 Jul 84

["Introductory Report by Marjan Rozic at Session of the SAWPY Federal Conference" -- TANJUG headline]

[Excerpts] Belgrade, 23 Jul (TANJUG) -- In his introductory report at today's session of the SAWPY Federal Conference, Dr Marjan Rozic noted that a year has elapsed since the adoption of the Long-Term Program of Economic Stabilization and that numerous critical discussions have already taken place on the way the implementation of the program is proceeding. There are serious reasons, he added, why we should make a vital change toward transforming stabilization principles into stabilization behavior, practice and social awareness. He then went on to tell those present that the SFRY Presidency, the Federal Chamber, the FEC, the LCY Central Committee Presidium, the Council of the Federation of Trade Unions of Yugoslavia, the Economic Chamber of Yugoslavia, the Federation of Associations of Veterans and the republican and provincial SAWP conferences had taken part in the preparation of today's session, devoted to the carrying out of the long-term program and to establishing the tasks of the Socialist Alliance in this connection. Clear assessments were made and concrete tasks were established, Rozic said, and that will make it possible to start united, joint action more successful than the previous one.

Stressing that the draft conclusions of the 13th session of the LCY Central Committee represent a dedicated ideopolitical basis for even better planned activity of Communists in the Socialist Alliance, Rozic added that it was necessary to assess the general climate in society and in particular the political and social conditions in the producing part of society. In his view significant results have been achieved in the past year and these results are reflected in many collectives' intensified efforts to produce more with better quality, and to export more and achieve a higher inflow of foreign exchange. There is also growing awareness that the long-term program is not only a basis for changes in the economy but a strategy aimed at deep social changes in production relations and in behavior, which reflects basic stimuli and motivations.

All that has been achieved, however, is too little in comparison with our real needs and possibilities and our people's readiness, Rozic stressed. The results would undoubtedly be higher if the agreed measures within the framework of competence of the federation, the republics, and the provinces had been adopted in good time and a directly coordinated manner. In his view economic policy has been too administrative, restrictive, and partial in effect, and the indispensable economic motivational elements are not being introduced so that at the same time people might be mobilized, stimulated, and guided on the basis of economic compulsion.

The excessively pronounced role of the state reduces the ability of associated labor to comprehend, express, and achieve its permanent and authentic interests. To this one should add a variety of forms of ideological resistance, ignorance, and insufficient activity, and slavish adherence to uneconomic criteria in work and development, which further exacerbates our already complex situation.

Noting that the working people are justified in condemning inconsistency and slowness in the implementation of the policy of stabilization, Rozic added that many of them are also critical of their own behavior, because they realized that this is the main cause of so many difficulties in production and the main reason why life is becoming increasingly difficult, why the burden of inflation affects workers in the economy and some social sectors, and their families most of all.

He then pointed out a number of tasks which may be considered of crucial importance for the present stage of the realization of the Long-Term Program of Economic Stabilization, laying stress above all on the concept of controlled inflation, which is not being implemented because it is not backed by corresponding economic measures.

It is the duty of the appropriate organs of the sociopolitical communities and associated labor, Rozic said, to begin without delay to take action which will restrain the causes and consequences of inflation. However, the passive attitude of waiting for these organs to provide all the solutions is unacceptable. Inflation must be fought by the whole of associated labor by means of higher production, productivity, and exports, and especially by lowering costs. He suggested that as early as this autumn the SFRY Assembly should discuss the implementation of the anti-inflation program and establish concrete responsibility for the failure to carry it out.

He also advocated finding out as speedily as possible whether behavior and decisions on prices are everywhere in keeping with the planned rate of increase and dynamism. Political and other measures should immediately be taken against irresponsible individuals. He mentioned that, for instance the SAWP municipal conferences should immediately assess rents and prices of communal services to see whether they are in keeping with the adopted policy and that if any increases have been excessive, the SAWP bodies should insist that such prices be restored to the agreed limits. One cannot, in Rozic's views, accept increases in the prices of food products introduced overnight and without the necessary corrections on the basis of social criteria and solidarity. One should also resolutely oppose the practice of turning decisionmaking on prices into a confrontation between the organizations of associated labor and the state. Instead one should insist that prices should as much as possible be an expression of coordinated interests within the framework of associated labor and other economic factors and that decisions on them should really be taken by the workers.

There are still numerous shortcomings in associated labor, the worst of them being seeking a way out not through productive economic activity but with increased prices. There are also frequent examples of maintaining irrational levels of production by means of low personal incomes. No real reply has yet been given as to why the areas sown to seed and under cultivation have been decreased, who is to blame for that, and what the Socialist Alliance should do in such circumstances. Among the omissions Rozic also listed the slow development of small-scale economy, failings in tourism, and the behavior of a number of banks wich continue to channel their credit potential in all directions.

Rozic particularly dwelt on the need to ease the burden on the economy, which he described as a class issue.

Workers should be openly invited to realize their constitutional position, he said, and initiative should be given for every workers' council to subject all the allocations from income and personal incomes to a resolute, studied, and responsible scrutiny, and to propose that they be reduced and brought down to realistic limits in order to safeguard the income needed for production and for raising personal incomes. We must be aware of the fact that numerous subjects who today impose a burden on the income of associated workers will not give up their present practice voluntarily. Likewise, nonproductive and bulky administration will not of its own volition limit its sources of favorable existence. It is necessary to limit its material conditions, including the funds used for personal incomes, Marjan Rozic stressed.

Rozic went on to say that social policy and the protection of the standard of living should be linked to the results of work and to a level of income which is a direct expression of a more economic method of work and greater labor productivity.

Rozic resolutely rejected any suggestions that there are not enough funds available for the realization of the goals of economic policy. He said much is still being spent on needs which could wait and especially on irrational investments and investments outside the economy. It is necessary to promote and spread the practice of subsidizing the housing costs of socially threatened families and individuals and all solutions should be achieved within the existing self-managing frameworks. Priority should be given to maintaining the social standard, regarding the old and tired, children, students and pupils, families on small incomes and pensioners, and use could be made in this connection of budget surplus [words indistinct], various funds, and also resources which are frozen at the moment. Any delay in finding solutions in the field of the standard of living would lead to a further exacerbation of social conditions, demobilize the people and reduce their interest in the realization of the policy of stabilization, Marjan Rozic stressed.

Rozic went on to advocate efforts to speed up the determining of conditions for development and economic activity next year. In that way associated labor and its associations could create their policy actively and in a responsible manner. We must insist, he added, with the executive organs and delegate assemblies on steps to determine the basic conditions of economic activity for next year by the end of this November. This should be an obligation of the FEC, the SFRY Assembly and SAWP, as well as all the organs in the republics, provinces, and municipalities. At the same time there must be no delays in preparing the new medium-term development plans on the basis of the concept of the Long-Term Program of Economic Stabilization, Dr Marjan Rozic said at the end of his introductory report at today's SAWPY Federal Conference Session.

Session Proceedings

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["SAWPY Federal Conference: Session Proceedings" -- TANJUG headline]

[Excerpts] Belgrade, 23 Jul (TANJUG) -- The first person to take the floor in the discussion at the SAWPY Federal Conference session today, which discusses the implementation of the Long-Term Program of Economic Stabilization, was Vojin Djukanovic. He stressed that stabilization is being implemented slowly, especially because there is inconsistency and irresponsibility, notably in the field of staffing policy. Djukanovic then spoke of the problems of ferrous metallurgy, which is weighed down by major unredeemed debts. Costs are rising faster than income, with the result that losses are going up as well. Therefore, the people employed in ferrous metallurgy are demanding an improvement in primary distribution.

In Uros Andreevski's views, too, there is a great deal of inconsistency in the implementation of the stabilization programme. The most conspicuous examples are the prices, which have gone beyond the agreed frameworks, yet no one has yet been called to account.

Andreevski then spoke of the situation in the Macedonian economy, stressing that illiquidity is going up. Big collectives are under enourmous pressure. This republic's indebtedness to foreign countries is running at a high level, too, and the prospect of its being able to meet its commitments this year from current foreign exchange inflow is minimum.

Milan Spanovic believes that the economic stabilization measures are very slow in filtering into the system. Contributing to this, in a conspicuous way, is disunity in the LCY. Everyone is concerned with what he is going to be told in the LC Republican Central Committee or Provincial Committees, and little account is taken of joint objectives and interests.

There are many difficulties and shortcomings in the economy, ranging from acquiring foreign currency to enormous losses and abortive investments. During all this time millionaires [dinar milliardaires], who lead a rich life from unearned income in a country of workers, are multiplying. Concluding his statement, Spanovic proposed that all Trepca management staff should submit their resignations because of negligence displayed over a period of many years in allowing large-scale theft of social property to be carried out [referring to Trepca silver theft].

Stojan Stojcevski referred to the impact of the law restricting the growth of personal income of the people employed in the collectives who had not made good last year's losses or who are not meeting their present commitments. All the workers, says Stojcevski, are aware that without more work and higher exports there is no way out of the present economic situation. Nor has anyone got anything against the application of this law. However, because of its very rigid application this regulation could become counterproductive. There must be financial discipline, stressed Stojcevski, but should we do that if some collectives which are working exceptionally well and which, through no fault of their own, have fallen into illiquidity, should then be prevented from carrying out the distribution according to results of work.

One of the conclusions in the discussions of the implementation of the Long-Term Program of Economic Stabilization in the SR of Bosnia-Hercegovina is that the measures adopted this year were late in coming, with the result that efforts to mitigate problems have not produced the desire effect. This luxury in wasting valuable time, according to Vehid Smajlovic, shows that many people are not aware of the gravity of the situation in which our society finds itself and that a turnabout in conduct in all spheres of work is necessary. Smajlovic also directed attention to the widespread manifestation whereby the system is blamed for all troubles, while the people keep on working as they used to. Examples of this are the excessive resources still set aside for investments, the obvious resistance to easing the burden on the economy, renewed escalation of prices, and so forth. Smajlovic believes that these manifestations act as a disincentive to workers in associated labor.

Nusa Kersevan, vice-president of the SFRY Assembly, informed the delegates of the Federal Conference of the recent discussion held in the Assembly Chambers on these problems, and drew particular attention to the need for coordinated action throughout our society. A complete cure-all cannot be expected from the FEC and its measures, but conditions must be established in which qualitative elements of economic operations can be fulfilled as extensively as possible.

Drawing attention also the delays in the implementation of the Long-Term Program of Economic Stabilization, Nusa Kersevan stressed that this was a political question which has to be resolved as soon as possible. We must no longer hesitate about the changes concerning the elements of our economic system and we must not be afraid of the impact of economic laws. Bills have to be paid and the sooner we do it the better, so that we can then move forward.

The fact that the dinar is undervalued is one of the basic reasons for economic instability in our country, believes Mitra Sarovska, because the way things stand now there are people who are making profits on the dinar rate of exchange differences, on high rates of interest, and by "acquiring" foreign exchange, are assuming a monopoly position on the market. Referring to the present system of the way foreign currency is set aside for social needs Mitra Sarovska said that the system is inequitable because it makes it possible for some people to make big profits while others are unjustly deprived of foreign currency. This is one of the reasons why some organizations export raw materials and reproduction materials indispensable to others.

Ivan Lapajne stressed that some results were attained during the past period. However, these results are reflected more in a changed attitude than in a material sphere. Nonetheless, what has been done in the economy must not be underrated, particularly as far as exports are concerned, and we must do everything we can to ensure this positive trend is maintained till the end of the year, because if we end this year successfully it will be much easier for us to work out a development plan for next (?year and for) the medium-term development plan.

Endorsing the proposed conclusions, Mohamed Begic said that the positive examples in the implementation of the Long-Term Program of Economic Stabilization should be stressed much more than hitherto. As it is, only shortcomings are being brought up and one gains the impression that we are powerless to do what we had opted for. In addition, we should insist on the stance that the people offering resistance to implementation of the long-term program should be recalled and replaced, said he.

No one has the right to behave irresponsibly as regards the implementation of the Long-Term Program of Economic Stabilization which was uniformly adopted, stressed Abdulah Hodza. He advocated the idea that Socialist Alliance organizations should provide a timely indication of the reasons for the nonimplementation of the tasks and immediately propose the right measures for faster overcoming of the problems.

Speaking about the situation in Kosovo and about Socialist Alliance activities, Hodza stressed that more vigorous measures are required against all those who are displaying an irresponsible attitude towards work and social resources. Despite certain good results the economy of the province is faced by excessive indebtedness, illiquidity, and large-scale losses. Measures are being taken to ease the burden on the economy, but there is the danger, warned Hodza, that these measures may be neutralized by the high growth of interest rates. He believes that reaction to a high growth of prices must be immediate and that the resources to protect the standard of living of the categories under the severest threat must be found.

The old practice is recurring, warned Radojko Petkovic, of reports and materials looking better than the actual reality. We don't need that, and what we need least of all is that we should be taken for a ride by some statistical data. Workers in direct production feel and see best how the implementation of the Long-Term Program of Economic Stabilization and of this year's resolution on the socioeconomic development of the country is going.

Workers do not leave work early to go away for the weekend, they are not waiting for the delivery of expensive imported cars, and they are not purchasing materials for their weekend cottages. They do not have an opportunity to do all this, but in the meantime administration and red tape is growing luxuriantly, like weeds. The fact that the impact of the measures has been lost in this respect can be best attested to by the fact that virtually no one has left his office to work on the factory floor.

Stane Pavlic advocated the reexamination of the decision to put down a deposit on trips abroad. According to him, all the reasons for which this measure was introduced are no longer present. The dinar has been devalued to such an extent that it virtually does not pay to trade with foreigners.

According to Pavlic, inflation is SAWPY problem No 1. It is not only an economic but a class matter, because it is clear whom the high prices have affected most. At the beginning of this 5-year term, Pavlic recalled, we anticipated that inflation would be reduced to the average in West European countries. However, what happened was that inflation leaped from 30 to 60 percent. This kind of inflation, warned Stane Pavlic, poses a threat to the foundations of self-management and places a question mark against our ability to implement the Long-Term Program of Economic Stabilization.

In Dr Pavle Bogetic's view, associated labor is not organized as well as it could be and this is why many economic links are fraying, and local, municipal markets have been established. Big economic systems, such as banks and the market, have been developing separately. Bogetic advocated a high number of integrations in the economy and also the establishment of unified Yugoslav legislation. At long last, he added, we should establish what the extent of income from stocks and securities [fiktivni dohodak] is. No doubt it is enormous, but so far no one has even approximately established its extent. In conclusion he proposed that illiquidity should be resolved with the introduction of an automatic rate of exchange.

Svetozar Tadic spoke of the information system. According to him the system is not good (in saying that, said Tadic, I am not thinking of the public information media but of sources of information). It is true to say that the need to implement the stabilization program has become a part of the awareness of our working people and an integral part of our daily life. However, not enough is being said about the new conditions of life and economic operations and they -- there is no reason to hide it -- are becoming more and more difficult.

Slavko Maric said that we are paying too little attention to easing the burden on the economy, although this is one of the priority tasks in the implementation of the first stage of the stabilization program. True, in the part of the year that has just ended, turnover tax has been reduced and facilities were provided for economic operations with foreign countries which gave the economy 3.18 percent more income. But what is the value of this if on the other hand the money to be set aside from the income for electricity and water boards went up by 3.74 percent. What they gained on the swings they lost on the merry-go-round, he said. For this reason we should start thinking about what we are doing and what we are planning in case the whole thing is reduced to formal statements.

Since economic stabilization is a precondition for the further development of socialist self-management, one should openly say that the Long-Term Economic Stabilization Program is not carried out fast enough either in terms of its pace or in terms of the "depth" of its range, was the warning issued by Vasilije Vasiljevic.

Although during the first 6 months of this year prices went up a great deal and unjustifiably so, there is every prospect that new increases are facing us in July and August. This rate of inflation is threatening to devalue all the good results we have attained so far. In addition it is threatening to force us into applying new administrative measures and solutions, Vasiljevic added.

Reverend Mihailo Smiljanic believes that we should no longer talk about what has to be done because this has already been agreed on. Instead it would be a good thing to point out what has not been done, why it has not been done, as well as who has not done it. In his evaluation there are some very powerful men and regardless of the position they hold one should fight against them because they create big problems. For instance, people in responsible positions viewed with equanimity the doubling of the price of corn, and concerned themselves with the export of this produce which at the very same time we were importing. A similar thing is happening with cement. Rev Smiljanic warned that personal, regional, provincial and republican interests are stronger than general Yugoslav ones.

Prior to my departure to the Federal Conference sessions people in my area ask me what do I do for the daily allowance I get, said Tule Medjedovic. Why don't you finally replace the leaders abusing their positions, I am asked by my fellow citizens, and why don't you put a stop to those who do not get out of socially-owned cars when they have at their disposal other, less expensive means of transport. When setting out concrete information about the price of a kilometer covered by socially-owned cars, Medjedovic suggested that red tables should be reintroduced. Not to mention what officials are doing in their offices, he added. Instead of being at the disposal of the callers they make telephone calls and see to their own business. The Long-Term Economic Stabilization Program cannot be carried out in this way. It has to be established finally whether the person who is wasting social resources in a variety of ways is a good businessman, said Tule Medjedovic.

Sulejman Daitov, the last person to take part in the discussion, said that the biggest reserves are hidden in agriculture and in the craft industry. In his view work could be found there for an overwhelming part of the unemployed, and if this were to happen thousands of hectares of land would not remain untilled.

At the end of the discussion on behalf of the commission for the stands, Milan Rakas explained the substance of this document which was unanimously adopted.

Within the context of the second point on the agenda the Federal Conference adopted the decision on the election of the presidents of its sections and commissions. Milan Rakas was elected president of the Section for Information and Public Opinion; Dubravka Skarica was elected President of the Section of Education, Science and Technological Culture; Milan Vukos was elected president of the Section of Culture and the Arts. Milan Uzelac was elected president of the Commission for Cadre Questions; and Jelka Ciric was elected president of the Commission for Petitions and Complaints.

Petar Rakocevic took advantage of the "any other business" item on the agenda. He pointed to the practice of the Greek diplomatic-consular missions and their different treatment of Yugoslav citizens when granting them visas to enter their country. As a result of this practice citizens of the SR of Macedonia are virtually discriminated against because, unlike other Yugoslavs, they must prove that they do not hail from Aegean Macedonia. Citing good-neighborly relations and the international documents of which Greece is also a signatory, Rakocevic stressed that this practice must be reacted to, especially in view of the traditionally good relations and cooperation with the Pan-Hellenic Socialist Movement, PASOK, which has a majority in parliament and whose leader is the head of the Greek Government.

It is reasonable to expect that the PASOK leadership will want to contribute to this practice being changed and that all Yugoslav citizens, in obtaining Greek entry visas, will be treated equally, Rakocevic said.

The Federal Conference agreed with Rakocevic' proposal and adopted this as its own proposal. It was agreed that our appropriate organs should be recommended to take appropriate measures and that an appeal be forwarded to PASOK to do likewise.

SLOVENE ASSEMBLY VIEWS TRADE, PRODUCTION TRENDS

LD252158 Belgrade TANJUG Domestic Service in Serbo-Croatian 1257 GMT 25 Jul 84

[Summary] Ljubljana, 25 Jul (TANJUG) -- The delegates of the Slovene Assembly met today to discuss the implementation of the Policy of Socioeconomic Development of the Republic. According to Dusan Sinigoj, president of the Slovene Executive Council, following very good trends at the beginning of the year industrial production began to weaken in May and June with the result that during the first 6 months industrial production was only 2.7 percent up on the same period last year. In fact in 10 branches of industry out of 33, production was down on the same period last year. The weakening pace of production is due mainly to reproduction material and raw material supply difficulties.

Although foreign trade has gone up the planned rise in goods and services exports has not materialized. This applies especially to the convertible-currency area. Up to mid-July exports were 10 percent up on the same period last year, 15 percent up to the convertible-currency area, while imports were 4 percent down. What is worrying is that the growth of compensation business, cooperation and border trade during the first half of this year is so high as to represent virtually 80 percent of the total increase of commodity exports to convertible-currency area.

Slovene banks have been discharging their obligations toward the Yugoslav National Bank at a lower level because the foreign currency inflow plan is not being realized.

Payments for noneconomic investments in the first half of this year are 68 percent up on the same period last year, while the nominal extent of economic investments is almost 80 percent up. Unfavorable trends and relations in the area of investment expenditure are testified to by the fact that during the first 5 months last year construction of 50 noneconomic investment programs with the estimated value of 927 million dinars was started, while during the same period this year the building of 63 noneconomic projects was begun with the estimated value as much as 2.937 million dinars.

Speaking of developments in the price area Dusan Sinigoj drew attention to the very fast growth of prices which in Slovenia were 53.8 percent up on July last year.

BRIEFS

AUTO TRADE COOPERATION WITH PRC -- Beijing -- A delegation of the Crvena Zastava factory of Kragujevac led by Rodoljub Micic, president of the managing board, is holding talks in Beijing with representatives of the All-China Corporation of Automobile Industry on expanding mutual cooperation. On the basis of the agreement signed so far, the Kragujevac factory will, in cooperation with Intersport, deliver this year 1,000 Zastava 101 automobiles to the Chinese market. Recently, the first consignment of 500 Kragujevac factory automobiles has already arrived in China. [Text] [Belgrade BORBA in Serbo-Croatian 28 Jun 84 p 7 AU]